FINANCIAL TIMES

TUESDAY 16 JUNE 2020

WORLD BUSINESS NEWSPAPER

USA $2.50 Canada C$3.00

Stockholm syndrome
Sweden's virus response fell captive to its self-regard — OPINION, PAGE 15

Security risk
The anxiety infecting America's allies across Asia — BIG READ, PAGE 13

Marching orders
Conscription threatens K-pop's global assault — INSIDE ASIA, PAGE 5

Call for justice
Atlanta death fuels protest

Erik S lesser/EPA-EFE/Shutterstock

Protesters join the "March on Georgia" in Atlanta yesterday, demanding police and criminal justice reform three days after the fatal shooting of Rayshard Brooks, a black man, by a white police officer in the city.

The march had been planned as part of the Black Lives Matter protests that have swept the US after the killing by police of George Floyd in Minneapolis.

Donald Trump, US president, who has been lambasted for his response to the antiracism protests, did not comment on Brooks' killing over the weekend. But yesterday he said he had done more in four years for "Black America" than Joe Biden, the Democratic presidential nominee, had in 40 years.

Report page 4

BP to slice $17.5bn off assets value as pandemic dims energy outlook

- Crisis hastens shift from fossil fuels
- Biggest move by oil major on uneconomic holdings

ANJLI RAVAL — LONDON

BP will slash up to $17.5bn off the value of its oil and gas assets after shifting to a more downbeat view of longer-term oil prices in the wake of the coronavirus pandemic, which it expects to hasten the shift away from fossil fuels.

The UK energy major said coronavirus would have a lasting impact on the global economy as well as oil and gas demand, and that it expected the crisis to accelerate the transition towards cleaner energies.

Its move is the biggest recognition yet among the largest oil and gas players that tens of billions of dollars of investment could be rendered uneconomic as the world pursues the Paris climate goals.

It also puts into focus BP's debt levels — among the highest in the sector — and its dividend, which it has maintained despite energy analysts' arguing that it is unsustainable. Shares in the company fell about 2 per cent yesterday.

Under Bernard Looney, its new chief executive, BP is undertaking an overhaul of its business as it seeks to become a leaner company with net zero emissions. Like its rivals, BP has been under pressure from climate activists and shareholders to take responsibility for the emissions released by its fuels.

In September, it will tell investors how it plans to "reinvent" itself and what its pledge to invest less in oil and gas and more in renewables over time will mean in practice.

"This is a clear acceptance by BP that the past is no longer a guide to the future," said Natasha Landell-Mills, head of stewardship at asset manager Sarasin & Partners.

BP's price assumptions for Brent crude oil and Henry Hub, the natural gas benchmark, are now lower by 27 per cent and 31 per cent respectively for the 2020 to 2050 period, from 2019 levels. The company said it would review some of its exploration plans, meaning some of the oil it expected to produce will be left in the ground.

"These difficult decisions — rooted in our net zero ambition and reaffirmed by the pandemic — will better enable us to compete through the energy transition," Mr Looney said. As of March 31, property, plant and equipment was valued at $130.2bn — with the oil and gas component at $88.6bn. BP said intangible assets were tallied at $15.5bn, with $14.2bn related to exploration.

BP is planning an overhaul of its business as it tries to become a leaner company with net zero emissions

Biraj Borkhataria of RBC Capital Markets said BP's balance sheet now looked "stretched", meaning that the dividend would probably need to take a cut as gearing rises towards 48 per cent.

BP had already announced an impairment charge of almost $3bn after agreeing to sell a parcel of US assets for less than the value on its books as prices fell.

Shell, too, has announced a write-down of $2bn, following more than $10bn in impairment charges by US rival Chevron. Spain's Repsol and Norway's Equinor have also cut their asset values in recent months.

Shale producer's woes page 8
Lex page 16

Briefing

▸ LGBT staff win US federal protection
The Supreme Court has ruled that transgender and gay workers are protected by the 1964 Civil Rights Act in a landmark decision that means they cannot be fired because of those characteristics.— PAGE 2

▸ WhatsApp in Brazil payments launch
The Facebook-owned messaging app has unveiled a service to allow users to send money for free or make purchases from small businesses, the group's first nationwide roll-out of the technology.— PAGE 5

▸ Power-sharing reframes Irish politics
Leo Varadkar's centre-right Fine Gael and centrist Fianna Fáil, which took opposing sides in the 1922-23 civil war, have agreed to govern together for the first time. The coalition includes the Greens.— PAGE 2

▸ Coronavirus circles Burundi elite
Diplomats have said it is highly likely the death of President Pierre Nkurunziza was because of virus side-effects, making him the first head of state to succumb to the disease.— PAGE 4

▸ Alarm rises over virus brain damage
US scientists have found the first direct evidence that coronavirus could infect the human brain and replicate inside its cells, heightening concern about poorly understood neurological symptoms.— PAGE 3

▸ Indonesia stimulus vow in recovery bid
Finance minister Sri Mulyani Indrawati has told the FT that Jakarta will will use quantitative easing and other monetary and fiscal policies for as long as it takes to recover from the pandemic.— PAGE 4

▸ Lenders throw out Travelex sale options
The currency exchange's banks and bondholders have rejected offers from a shortlist of potential buyers, leaving it facing a debt-for-equity shake-up as it scrambles to secure its future.— PAGE 5

Datawatch

Going out again
Where Britons will feel comfortable once the lockdown eases (%)

Source: YouGov

More than twice as many Britons say they would be comfortable visiting pub gardens rather than pubs once ministers ease the coronavirus lockdown. Nail salons fare worst, winning only a 16 per cent vote of confidence

New York's forgotten borough begins fightback

The easing of New York's lockdown last week was welcomed in the city's poorest borough but local businesses have been left with a fight for survival. The Bronx has long suffered from the sense that it has been bypassed by the prosperity that sweeps Manhattan. But it had been attracting investment before coronavirus and unemployment was low. Now, as it tries to recover from the city's highest pandemic death rate, it will need all its grit.

Analysis ▸ PAGE 3

Berlin buys stake in Covid-19 vaccine hopeful CureVac to block US takeover

JOE MILLER — FRANKFURT
CLIVE COOKSON — LONDON

Germany plans to invest €300m in CureVac, a coronavirus vaccine developer, in an attempt to block a foreign takeover of the German company after it attracted interest from the Trump administration.

Berlin said it would acquire a 23 per cent stake in CureVac, which was an early starter in the race to develop a Covid-19 vaccine, as it emerged that the biotech group was planning to list in New York.

CureVac is due to start clinical vaccine trials this month and is one of a handful of companies working with mRNA technology, which can produce a vaccine more swiftly than other methods.

"We want to give [the company] financial security," Peter Altmaier, Germany's economics minister, said yesterday. "For me, and for the federal government, it is elementary from an industrial point of view that we maintain and strengthen key industries in Germany. Germany is not for sale. We do not sell our silverware."

Fears are growing that the hunt for a coronavirus vaccine will spark geopolitical clashes if countries act according to narrow self-interest.

According to a letter from the German finance ministry seen by the Financial Times, the CureVac investment was "extremely urgent" because the company was planning an IPO on Nasdaq in July. The letter said the stake purchase ensured that "the company is not taken over by a foreign investor and that it does not leave the country".

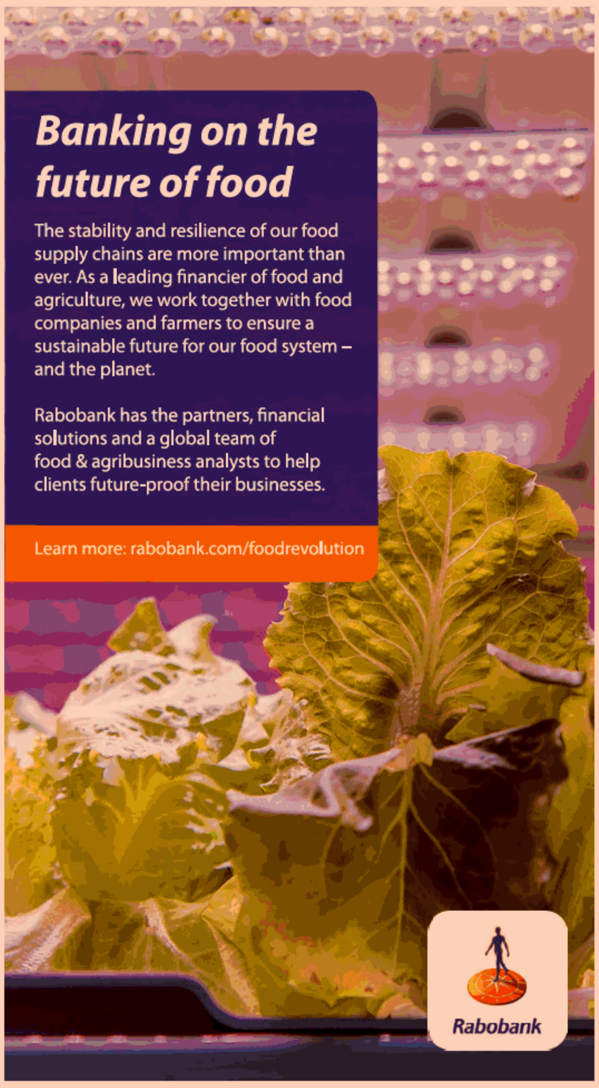
CureVac is 80 per cent owned by SAP co-founder Dietmar Hopp and counts the Bill & Melinda Gates Foundation among its investors. In March, a German newspaper reported that the US government had sought to take over the group in an effort to secure supply of a potential vaccine after its then chief executive, Daniel Menichella, met President Donald Trump at the White House.

"It goes without saying that a German company should not be developing a vaccine for exclusive use in the US," Mr Hopp said at the time.

Meanwhile, US regulators yesterday revoked emergency approval for hydroxychloroquine, the antimalarial drug touted by Mr Trump as a "game-changer".

The Food and Drug Administration said new data from trials showed the drug did not improve the condition of patients or have an antiviral effect, so the benefits did not outweigh the risks.

Notebook page 14



No: 40,427 ★

Printed in London, Liverpool, Glasgow, Dublin, Frankfurt, Milan, Madrid, New York, Chicago, San Francisco, Orlando, Tokyo, Hong Kong, Singapore, Seoul, Dubai, Doha

World Markets

STOCK MARKETS

	Jun 12	prev	%chg
S&P 500	3041.31	3002.10	1.31
Nasdaq Composite	9588.81	9492.73	1.01
Dow Jones Ind	25605.54	25128.17	1.90
FTSEurofirst 300	1381.50	1378.16	0.24
Euro Stoxx 50	3153.74	3144.57	0.29
FTSE 100	6105.18	6076.70	0.47
FTSE All-Share	3379.82	3363.63	0.48
CAC 40	4839.26	4815.59	0.49
Xetra Dax	11949.28	11970.29	-0.18
Nikkei	22305.48	22472.91	-0.75
Hang Seng	24301.38	24480.15	-0.73
MSCI World $	2154.44	2267.36	-4.98
MSCI EM $	993.59	1012.51	-1.87
MSCI ACWI $	514.89	539.76	-4.61

CURRENCIES

	Jun 12	prev		Jun 12	prev
$ per €	1.125	1.138	£ per $	0.798	0.791
$ per £	1.254	1.264	€ per £	1.115	1.111
£ per €	0.897	0.900	¥ per €	120.708	121.372
¥ per $	107.330	106.645	£ index	77.251	78.004
¥ per £	134.592	134.832	SFr per £	1.193	1.187
SFr per €	1.070	1.069			
€ per $	0.889	0.879			

COMMODITIES

	Jun 12	prev	%chg
Oil WTI $	36.53	36.34	0.52
Oil Brent $	39.00	38.55	1.17
Gold $	1738.25	1722.05	0.94

INTEREST RATES

	price	yield	chg
US Gov 10 yr		0.70	0.03
UK Gov 10 yr		0.21	0.01
Ger Gov 10 yr	104.24	-0.44	-0.03
Jpn Gov 10 yr		0.01	0.01
US Gov 30 yr	131.11	1.45	0.01
Ger Gov 2 yr	104.85	-0.68	-0.02

	price	prev	chg
Fed Funds Eff	0.05	0.05	0.00
US 3m Bills	0.17	0.17	0.00
Euro Libor 3m	-0.38	-0.37	-0.01
UK 3m	0.20	0.20	0.00

Prices are latest for edition
Data provided by Morningstar

A Nikkei Company

CORONAVIRUS ROUND-UP

Eurozone exports shrink a third and imports nearly a quarter during April

Exports from the eurozone fell almost 30 per cent in April and imports a quarter, underlining the impact of the pandemic-induced shutdown.

Trade between EU countries fell slightly more than 32 per cent, Eurostat data showed yesterday, signalling just how hard European trade has been hit by the outbreak.

EU exports amounted to €136.6bn in the month, a decline of 29.3 per cent on April 2019.

New York manufacturing sector's optimism at highest level since 2009

Optimism in the New York manufacturing sector has reached its highest level in more than a decade.

The outlook improved as business activity steadied after rapid declines at the height of shutdowns, according to the New York Fed's Empire State manufacturing survey.

The index, which gauges future business conditions, jumped to 56.5 in June from 29.1 last month, It was the best reading since October 2009.

Greece reopens doors to tourists

The suns sets over the Greek island of Santorini as the country yesterday reopened officially for tourism. Visitors from Italy, Spain and the Netherlands will be tested at the airport and spend two weeks in quarantine, if they test positive. There will be random tests for tourists from other EU states, China, Australia and New Zealand.

Norway stops data collection from track-and-trace app over privacy fears

Norway will suspend data collection from a track-and-trace app aimed to stop the spread of coronavirus after the national data watchdog said it interfered with users' privacy.

The Institute of Public Health plans to delete all data collected by the app that was downloaded 1.6m times and suspend the further collection of data after receiving a notification from the data protection authority.

Lahore to be put under lockdown for two weeks after cases surge

Pakistan will impose a two-week lockdown from tonight in parts of Lahore, its second-largest city, after a surge in cases. Yasmin Rashid, health minister of Punjab province of which Lahore is the local capital, said compliance with earlier orders to stop the spread of coronavirus had been weak in parts of the city.

Businesses, excluding pharmacies and stores selling essential food items, are to be shut under the restrictions. Residents living in neighbourhoods with suspected cases could be forced to take tests.

Cases so far

7,960,856

and 434,388 deaths by 6.35pm BST on June 15

Source: Johns Hopkins University, CSSE

Read more at ft.com/coronavirus

Talks breakthrough

Irish parties strike first coalition deal

Three groups – Fianna Fáil, Fine Gael and the Greens – will share power

ARTHUR BEESLEY — DUBLIN

Ireland's traditional ruling parties have struck a deal to govern together for the first time, clearing the way for opposition leader Micheál Martin to take over as prime minister from Leo Varadkar in a three-way coalition.

The agreement yesterday between Mr Martin's centrist Fianna Fáil, Mr Varadkar's centre-right Fine Gael and the Greens follows an inconclusive February election in which Sinn Féin nationalists won the popular vote but not enough seats for a parliamentary majority. Mr Martin and Mr Varadkar will rotate the position of prime minister.

If the deal – which hinges on approval by party membership in the next fortnight – goes ahead it would shatter a system that has survived for almost a century. All governments since the foundation of the Irish state in 1922 have been led by Fianna Fáil or Fine Gael and its predecessor.

But the parties, which took opposing sides in the 1922-23 civil war over the terms of the treaty to establish independence from Britain, have never ruled together.

"This is the original divide in Irish politics that, as a result of them agreeing to go into government if they do, is coming to an end," said David Farrell, head of politics at University College Dublin.

The breakthrough follows several weeks of talks that were delayed by the lockdown. It comes 128 days after an election in which Mr Martin's party won the most seats and Mr Varadkar trailed into third place. Each refused talks with Sinn Féin over its leftist policies and links to IRA paramilitaries during the Northern Ireland Troubles that ended with the 1998 Good Friday peace pact.

Battling coronavirus and the economic shock it set off will be the incoming government's biggest task. "The programme for government does represent . . . a new departure in terms of how we deal with key issues from housing, education, health and above all the challenge of our generation which is climate change," Mr Martin said.

The three parties said Covid-19 had "upended our certainties and changed our world". They added: "We are asserting our ambition to meet these challenges, repair the damage that has been inflicted by the pandemic, and take the renewed spirit arising from these challenging times and translate it into action."

The parties want to boost housing, healthcare and public transport and cut greenhouse gas emissions by an average of 7 cent per cent a year. But the new government faces severe fiscal pressure.

> 'This is the original divide in Irish politics that . . . is coming to an end'

Although Ireland has started to ease lockdown restrictions, it is grappling with 26 per cent unemployment and a forecast €30bn budget deficit this year, after a 2019 surplus. The parties promised a stimulus plan next month to kick-start the economy and said they would set out a "medium-term road map" to reduce the deficit in the October budget.

"Our focus will be to get people back to work as quickly as possible. Our aim is to create 200,000 jobs by 2025 as well as helping people unemployed due to Covid-19 back to work," they said.

In a sign that Dublin's Brexit policy will not alter, they said effecting the protocol to keep the border with Northern Ireland would be a "key priority".

A rise in the pension age to 67, which was to take force next year, will be deferred. The policy will be reviewed.

The Greens are the biggest potential stumbling block, as members are divided, despite climate targets to woo them.

Russia. Censorship

Putin uses 'fake news' on virus to tighten grip

Prosecutions shoot up after punishments increased for spreading false information

MAX SEDDON — NEW YORK

Grigory Winter, a human-rights activist in the north Russian city of Cherepovets, was surprised one day in April to find seven security officers and two riot police waiting outside his front door.

As the officers ransacked his apartment, Mr Winter was even more surprised to learn the justification for the search: a post he had written on social media a few days earlier claiming that officials were transferring prisoners with Covid-19 symptoms without taking precautions against the disease. Investigators in Cherepovets say no corrections officers or prisoners were diagnosed with the disease at the time.

The case against Mr Winter is one of dozens Russian authorities have filed this spring after President Vladimir Putin approved increased punishments under a fake news law passed last year for "knowingly spreading false information" about the pandemic.

Some have advanced rumours and conspiracy theories. Others, like Mr Winter, have claimed Russia's response has been woefully inadequate or that officials are hiding the true extent of the pandemic – and now face up to five years in prison for criticising it.

"They're scaring ordinary citizens en masse," Mr Winter said.

After implementing strict lockdown measures in late March, several weeks after most other countries, Russia has sought to keep information about the pandemic under equally tight control. The state virus task force has a "fake news" unit, and the Investigative Committee, an FBI-like law enforcement agency, tracks it on messaging apps.

Kremlin spokesman Dmitry Peskov said: "Unfortunately, nobody in the world has won the war with fakes yet. The surfeit of information technologies is only aggravating the situation. We are continuing this struggle."

Prosecutions under the fake news law have shot up since Mr Putin signed the additional provisions on discussions of the pandemic, which parliament rushed through in a single day.

Police presence: officers patrol Red Square in central Moscow yesterday
Alexander Nemenov/AFP/Getty Images

"This disinformation is a really socially dangerous phenomenon that can often lead to very tragic consequences," said Timofei V, deputy head of a state-run virus monitoring centre.

Anna Generalova, for Russia's prosecutor-general's office, said prosecutors "ceaselessly monitor" media and the internet for virus-related fake news and "immediately react" to block them.

"Specific charges to be filed and punishment to be administered are determined by the seriousness of the deed committed and subsequent consequences," she said.

Mr Winter is no stranger to run-ins with local authorities: last year he was sentenced to 280 hours' community service under the law against insulting public officials in a dispute over plans to cut down a forest. He is one of the few people to face jail time for posting, which he claims is retribution for his years of campaigning against police and prison officials in Cherepovets.

"I insulted the prison bosses, so they decided I had to be punished one way or the other," Mr Winter said.

Most of the charges had been brought against people whose posts had little reach outside their immediate social group, said Sarkis Darbinian, chief legal officer at privacy rights group Roskomsvoboda. "The Kremlin doesn't have any kind of real programme, they've let the genie out of the bottle. They criminalised the statute and now local police are deciding when to file charges," he said. "It's obvious they're trying to frighten citizens so they don't write anything and are scared to post."

In several cases, police have published videos of interrogations in which suspects confess to and repent of their crimes. A week before lockdown, a court fined Oksana Garipova, a hairdresser in Nizhnekamsk near the Volga river, Rbs30,000 ($427) for recording a voice message on WhatsApp claiming local authorities would introduce compulsory quarantine. She then appeared on a popular talk show to apologise, saying it was a "prank" just for friends.

"These conspiracy theories are basically part of state ideology, but they can't let ordinary people do it because it might end up with them taking to the streets, and that's inadmissible," said Andrei Kolesnikov, a fellow at the Carnegie Moscow Center. "Then the police get involved and these people have to be punished. The ordinary people don't really know what they're talking about, but they're the ones who get punished."

Several other defendants have said their messages were intended as parody. In April, investigators charged Alexander Thorn, known for impersonating Mr Putin and his cabinet, for a satirical video of lurid claims about the origins of the virus and Microsoft founder Bill Gates and 5G towers.

Weeks later, Nikita Mikhalkov, an Oscar-winning director and official Putin campaigner during the last two presidential campaigns, also aired some of the theories about Mr Gates parodied in Mr Thorn's video on his show on state channel Russia 24. The channel pulled the episode after a public outcry.

A few days later, the general prosecutor's office said unspecified videos of allegations about Mr Gates were fake and ordered censors to ban them from social media. Even so, a segment aired in April from a show on the most-watched network that also cited Mr Gates' alleged exploitation of the pandemic to introduce "digital slavery" remains on Channel One's website.

FINANCIAL TIMES
330 Hudson Street,
New York, NY 10013

Subscriptions and Customer Service
Tel: +1 800 628 8088
uscirculation@ft.com, www.ft.com/subsusa
Advertising
Tel: +1 917 551 5040
usads@ft.com
Letters to the editor
letters.editor@ft.com
Executive appointments
www.exec-appointments.com

Published by
F.T. Publications Inc.
330 Hudson St, New York,
NY 10013, USA;
Tel: +1 917-551-5000;
Editor: Roula Khalaf

Printed by
Blue Island Newspaper Printing, Harvey, IL
Evergreen Printing Company, Bellmawr, NJ
Southwest Offset Printing, San Jose, CA
Sun Publication Inc, Lakeland, FL
Published daily except Sundays, New Year's Day, Good Friday, Independence Day, Thanksgiving, the day after Thanksgiving, Christmas Day and the day after Christmas Day.

US subscription rates, 1 year $406. Periodicals postage paid at New York, NY and at additional mailing offices; Post-Master. Send address changes to F.T. Publications Inc., PO Box 469, Newburgh, NY 12551; USPS number, 190640; ISSN# 09159460.

Reprints are available of any FT article with your company logo or contact details inserted if required (minimum order 100 copies). One-off copyright licences for reproduction of FT articles are also available.
For both services phone +44 20 7873 4816, or alternatively, email syndication@ft.com

Employment

US civil rights laws protect LGBT workers, rules Supreme Court

KADHIM SHUBBER — WASHINGTON

The US Supreme Court has ruled that gay and transgender workers are protected by federal civil rights laws in a landmark anti-discrimination decision.

Two Republican appointees joined the court's four liberal justices to decide the issue in a 6-3 ruling that said the 1964 Civil Rights Act also applied to gay and transgender people, meaning employers cannot fire them because of those characteristics.

Under Title VII of the act, discrimination on the basis of "race, colour, religion, sex or national origin" is banned. The court's ruling said the ban on "sex" discrimination covered gay and transgender people.

"An employer who fires an individual merely for being gay or transgender defies the law," wrote Justice Neil Gorsuch, an appointee of Donald Trump, as he delivered the majority opinion. The decision comes five years after the Supreme Court legalised same-sex marriage. Yesterday's ruling, also supported by Chief Justice John Roberts, an appointee of George W Bush, argued that discrimination against gay and transgender people necessarily included judgments about their sex. Justice Gorsuch noted that an employer who fired a male worker because he was attracted to men "discriminates against him for traits or actions it tolerates in his female colleagues".

Similarly, he wrote that if an employer fires a person who identified as male at birth but who subsequently identified as female, the employer penalises "traits or actions that it tolerates in an employee identified as female at birth".

"[T]he individual employee's sex plays an unmistakable and impermissible role in the discharge decision," he added.

The Trump administration had argued that Title VII did not protect gay and transgender people. Last week, the federal government rolled back protections for transgender workers against discrimination in healthcare that had been instituted by the Obama administration.

The White House and Department of Justice did not immediately return requests for comment.

The decision was hailed by Democrats and LGBT+ charities. Joe Biden, the presumptive Democratic nominee for president, said the ruling was a "momentous step forward for our country".

Amit Paley, executive director of The Trevor Project, the LGBTQ suicide prevention charity, said the decision "sent a resounding message to LGBTQ youth everywhere that they are free to pursue their talents and dreams".

The Supreme Court's ruling arose from a trio of cases where gay and transgender workers said they had been fired because of those characteristics.

Victory: an LGBT supporter outside the Supreme Court yesterday

In one, Aimee Stephens had been fired from the funeral home where she worked after she began living as a woman. In another, Gerald Bostock was dismissed from his county job as a child welfare advocate in Georgia after he joined a gay softball league. The third case involved Donald Zarda, who was fired as a skydiving instructor days after mentioning he was gay.

Both Stephens and Zarda have died since their cases began in the lower courts.

Three of the Supreme Court's conservative justices opposed yesterday's ruling, arguing that the decision had gone beyond the text of the law passed by Congress in 1964.

US lawmakers in the House of Representatives and the Senate have previously passed separate bills that ban discrimination on the basis of sexual orientation but none has yet become law.

"There is only one word for what the court has done today: legislation," wrote Justice Samuel Alito in a dissenting opinion joined by Justice Clarence Thomas. "A more brazen abuse of our authority to interpret statutes is hard to recall," he added.

New York's poorest borough fends for itself as Covid-19 strikes hard

Bronx small businesses wonder if they can survive in area at bottom of city's pecking order

JOSHUA CHAFFIN — NEW YORK

Bird's eye view: Bronx residents gather to watch police arrest curfew-breaking protesters this month. Below, customers browse inside a newly reopened clothing store
David Dee Delgado/Getty Images; Mark Lennihan/AP

Nancy Testa walked into the kitchen at Capri Cakes, her bakery in the south Bronx, and saw her workers smiling.

"I said: 'what's going on?'" Ms Testa recalled. The grins, it turned out, were spawned by the realisation that the bakery had survived through three months of coronavirus-induced lockdown. "It was a big deal," Ms Testa said.

New York City's tentative reopening from lockdown began last Monday. It had a special resonance in the city's poorest borough and the one hardest hit by coronavirus. In the past three months, Bronx residents have suffered the highest death rates from a pandemic that disproportionately targets the poor. The neighbourhood — which is more than 80 per cent black and Hispanic — has also become a flashpoint in the recent protests sparked by the police killing of George Floyd in Minneapolis.

"Bronxites have always known that we were behind the pack and under-resourced," said Michael Brady, the chief executive of the Third Avenue Business Improvement District. "However, I think it took Covid-19 and the immense pressure of the pandemic to have the rest of the city realise that the Bronx really is disenfranchised."

On the first day of reopening, there was a carnival-like atmosphere in the Melrose section of the south Bronx, a busy shopping district whose stores are mostly of the family-owned variety since, with a few exceptions, the neighbourhood's deprivation has kept the national chains at bay.

Women queued outside beauty suppliers and throngs of shoppers shuffled along the pavement under a hot sun. A local jeweller advertised hand-sanitiser, a move that had allowed his and other businesses to be classified as "essential" and so reopen early. A tax preparer's storefront was covered with a plywood board scrawled with the words: "Black & Brown Business".

Salsa music wafted from an electronics store and collided with rap tunes thumping from car windows and the bark of a man promising in Spanish cheap financing for furniture. There was an occasional siren — and a sense of foreboding.

"How many of these small businesses will be able to stay afloat?" asked Rafael Salamanca, the local councilman and a Bronx native. His fear is that many will go under, and then "we're going to have a lot of vacant storefronts, which gives an opportunity for those big box chain stores to move in and basically clean house".

Abel Brea, owner of 1-800Fix.com, an electronics repair shop that has been in the neighbourhood since 1991, was thinking the same thing. "They're going to open. But can they survive?" asked Mr Brea, wearing a face mask emblazoned with the logo of the New York Yankees, whose stadium is in the Bronx. Like other business owners, Mr Brea benefited from his landlord's leniency in recent months. "The problem is, now it's officially open," he said. "They want the rent. No more 50 per cent!"

The Bronx has long suffered from the sense it is forgotten by the rest of the city, that the prosperity blowing through Manhattan reaches it years later, if at all.

In the 1970s and 1980s, buildings were set alight for insurance money and crime made it a byword for urban blight. At $38,000, the median income is less than half that of Manhattan.

But the borough has been attracting investment, particularly a southern fringe where Brookfield and other big developers have been building luxury condominiums across the Harlem river from Manhattan. Businesses were also opening further north, in Mr Salamanca's district, and unemployment was low. "Coronavirus really put a damper on things," said Mr Brady.

The Bronx's death rate of 254 fatalities per 100,000 residents is the city's highest. In some Bronx zip codes, the infection rate is more than double that of the city at large.

That now seems obvious since Bronx residents tend to work the frontline jobs — as delivery drivers, health aides, public transit workers — that have proved most vulnerable in the pandemic. They have high rates of asthma and diabetes. They are also packed into public housing towers. "There's only two elevators in a building that has 19 storeys, and one of those elevators is always down. And so you have people literally waiting in these common areas," Mr Salamanca said, explaining how the virus spread. "With so many people, there was really no social distancing."

'Bronxites have always known that we were behind the pack and under-resourced'

'We're going to have a lot of vacant storefronts, which [allows] big box chain stores to move in'

Amid all the gloom, Ed Garcia Conde, publisher of the Welcome2theBronx blog — and an avowed foe of gentrification — saw one possible silver lining: the coronavirus downturn might keep at bay the luxury condominiums. "I hope it cancels it," Mr Garcia Conde said. "If rents decline, are you going to choose to live here or Manhattan or Brooklyn, where everything has already been gentrified just the way you want it?"

He was strolling down Third Avenue, past a plaza where police had encircled a group of protesters in one of the more violent confrontations that followed Floyd's death, and then along a stretch where, he noted, even the drug addicts — absent during the pandemic — were beginning to return. "We already knew we were going to be left to fend for ourselves when this happened. We've been before," Mr Garcia Conde remarked.

That sense of grit — born of poverty and abandonment — may be vital to the neighbourhood's survival. It is abundant at places such as La Morada, a Mexican restaurant on Willis Avenue that turned itself into a soup kitchen in the pandemic and serves 1,000 free meals a day. "A lot of people have been laid off or furloughed, if they even had a stable job to begin with," said Marcos Saavedra, as he packaged an order.

La Morada did not qualify for federal aid after the pandemic struck. Bronx businesses received less than 1 per cent of a $10m New York City loan programme for small businesses.

Floyd's death is a regular topic of conversation among customers. One night, after businesses in Manhattan were hit by looting, there were sightings of young men with hammers in the south Bronx and rumours the neighbourhood would be next.

"I didn't sleep that night, looking at all the Twitter feeds," Ms Testa said. The danger passed. She added: "I feel extremely blessed." Still, reflecting on the past three months, she could not help but adopt a Bronx view of the world. "There's an overwhelming feeling," she said, "that we always get the short end of the straw."

Gideon Rachman see Opinion
See Notebook

Neuronal tests

US scientists believe virus could infect brain and replicate

CLIVE COOKSON — LONDON

Scientists in the US have found the first direct evidence that coronavirus could infect the human brain and replicate inside its cells, heightening concern about the disease's poorly understood neurological symptoms.

Thomas Hartung and colleagues at Johns Hopkins University made the discovery after adding low levels of Sars-Cov-2, the virus responsible for Covid-19, to tiny neuronal balls known as mini-brains that are grown from human stem cells.

The researchers found that the virus infected neurons in the mini-brains via the ACE2 human protein known to be a key entry point for Sars-Cov-2. The virus then multiplied within the neurons; within three days the number of copies had increased at least tenfold.

"It is really critical to know that our most precious organ can be directly affected by the virus," said Prof Hartung, a toxicology expert at Johns Hopkins, adding that it was still unclear how often this happened in Covid-19 patients.

Whether the virus can infect the brain is among the biggest questions in a long list of unknowns about how it seems to affect most body tissues and organs.

The study, which is under peer review at the journal Altex but not yet published, follows unconfirmed reports of neurological symptoms in Covid-19 patients, including in the original outbreak in Wuhan. More than a third of victims who were hospitalised in the Chinese city exhibited neurological symptoms, including dizziness, headache and seizures.

Yet it has never been clear whether the virus affects the brain and nerve cells directly or whether such symptoms are a secondary result caused by damage to the patients' immune and cardiovascular systems.

For instance, it is not known whether a loss of the sense of smell, a common symptom of the virus, is a result of direct infection of olfactory neurons or a side-effect of infection in other cells involved in olfaction.

If Sars-Cov-2 can attack the human brain, it has to get past the blood-brain barrier that shields the organ against many viruses and chemicals and often prevents infections. Although the Johns Hopkins mini-brains show some features of a human brain, including electrical activity and communications between neurons, they lack other features, including the blood-brain barrier.

"Whether or not the Sars-Cov-2 virus passes this barrier has yet to be shown," Prof Hartung said, "but it is known that severe inflammations, such as observed in Covid-19 patients, make the barrier disintegrate."

The mini-brains, known as BrainSpheres, were developed four years ago and are used for toxicology testing of drugs. They have been used to study the effect of other viruses on the human brain, including Zika, dengue and HIV.

North Korea threat

Japan puts deployment of missile defence shield on hold

ROBIN HARDING — TOKYO

Japan has halted an upgrade to its defences against a possible missile attack by North Korea after the Aegis Ashore project was hit by rising costs, technical problems and public unease.

The acquisition of the US-built land-based missile defence shield was part of a pledge made by Japan's Prime Minister Shinzo Abe to President Donald Trump three years ago as Tokyo sought to upgrade its defence capabilities.

Yesterday, Japan defence minister Taro Kono said he was halting the deployment of Aegis Ashore to Yamaguchi and Akita prefectures "in light of the cost and the timeframe". He said the system would need expensive hardware modifications to deal with the risk of rocket boosters falling in civilian areas.

If the $3.2bn Aegis Ashore acquisition is scrapped, it will mark a sharp reversal in Tokyo's stance on ballistic missile defence, after the government previously argued that the system was essential to protect Japan against a growing threat from Pyongyang.

The decision to buy Aegis Ashore followed North Korean missile tests in 2017, including two launches that flew over Japan's northern island of Hokkaido, prompting emergency alerts to the public and civil defence drills.

Aegis Ashore, made by US contractor Lockheed Martin, is designed to intercept ballistic missiles in the middle of their flight. It was meant to supplement Japan's Patriot PAC-3 batteries, which target a missile as it re-enters the atmosphere, doubling the chance of an interception.

Mr Trump said on a visit to Tokyo in 2017 that Japan would buy missiles of "many different kinds".

Mr Abe touted Japan's defence purchases as part of his answer to the US president's demands on trade, leaving Tokyo at risk of a backlash if Mr Trump takes offence at his change of heart. Failing to follow through on a defence project may also reduce Japan's credibility in the eyes of the US military.

Japan had intended to install the weapons at two locations, one in Akita prefecture to the north of the main island of Honshu, and one in Yamaguchi prefecture to the south.

But the plans met bitter objections from local residents near the proposed sites for the batteries, who said their towns would become targets for North Korean nuclear missiles and they would be in danger when the booster stage of Aegis rockets fell back to the ground.

Instead, Japan will have to rely on naval Aegis systems, requiring its warships to maintain a continuous patrol in the Sea of Japan.

Innovation

Brussels to ease rules keeping state aid from tech start-ups

TIM BRADSHAW AND DANIEL THOMAS
LONDON

Brussels is to temporarily relax state aid rules that the technology industry says hold up support for start-ups.

Many venture-backed tech companies are classified as being in "financial difficulty" under EU rules because they are run at a loss to accelerate growth or have sold a large portion to investors.

As a result, the rules designed to prevent state support for failing national companies have denied many start-ups the help widely available to more traditional businesses in recent months.

The EU is now moving to extend the "temporary framework" introduced in March to include innovative start-ups and other "micro and small companies".

Margrethe Vestager, the EU's competition policy chief, said such businesses were "crucial for the economic recovery of the union". Private investors would be able to invest alongside government funds under the proposals, she said.

The framework was designed to help states respond to the downturn triggered by coronavirus. Under state aid rules, governments would normally be unable to provide businesses with grants or guarantee loans.

The exemptions follow a campaign by tech trade groups urging greater flexibility in Brussels' approach to start-ups.

Benedikt Blomeyer, director of EU policy at Allied for Startups, an advocacy group, said Brussels was "heading in the right direction", though he was awaiting details. Liz McCarthy of Scale Ireland, another start-up advocacy, said 1.2 per cent of Ireland's €180m Sustaining Enterprise Fund had been approved in the first three months since its launch. "The removal of this impediment will enable the [Irish] government and its agencies to urgently channel funds to viable innovation-driven companies that can provide an important source of economic growth post-Covid."

Margrethe Vestager says private investors will be able to invest alongside government funds

The UK Treasury has earmarked £250m to match investment through the Future Fund, which has been oversubscribed since opening a month ago.

Dom Hallas, executive director of Coadec, which represents UK start-ups, said: "The devil will be in the detail but we're hopeful this could allow British start-ups much better access to the government's liquidity package."

Additional reporting by Javier Espinoza in Brussels

New outbreak

Controls reimposed in Beijing following infections surge

DON WEINLAND AND NIAN LIU — BEIJING

Half of Beijing's districts reported new coronavirus cases yesterday in the country's most serious upsurge in infections for months.

Authorities announced that 79 people had been hospitalised and there were 36 new infections in the Chinese capital, a day after more than 75,000 tests were conducted in the city of 20m.

The cluster of infections linked to Beijing's largest seafood and vegetable market has become the most serious outbreak since China said it had largely succeeded in controlling the pandemic.

Life in Beijing had mostly returned to normal after more than 50 days without a confirmed case, but on Sunday districts began to control movement again. Restaurants and other businesses were required to collect personal information of customers, only a week after such measures were relaxed.

The market at the centre of the outbreak has been closed and several residential compounds locked down.

In the months following the start of the outbreak in Wuhan, Beijing became one of the most difficult places in China to enter. All travellers to the city were required to quarantine for 14 days. Those restrictions were eased in May.

The new cases threaten to deliver a blow to the Communist party's attempt to revive economic growth after output fell to its lowest level in a generation.

"The outbreak in Beijing was a shock to the Chinese government, and we believe the risk of a second wave in China rose significantly over the past weekend," said Ting Lu, chief China economist at Nomura.

Many indicators of growth have shown positive signs in recent weeks. The National Bureau of Statistics said yesterday that industrial production in May grew by 4.4 per cent year on year, higher than the previous month but still below some analysts' expectations.

Fixed-asset investment for the first five months of the year fell by 6.3 per cent on a year earlier, a sign that investments in real estate and infrastructure were still suffering after the crisis. Growth in retail sales was down 2.8 per cent.

The rise in cases in China comes after a jump in US cases, prompting concern among investors. The Shanghai CSI 300 index was down about 1 per cent at midday, Japan's Topix fell 0.7 per cent and Hong Kong's Hang Seng index was 0.6 per cent lower.

"Surging cases from China to US are increasingly worrying investors that another economic shutdown could be around the corner for everyone," said Ipek Ozkardeskaya, a senior analyst at Swissquote Bank.

Human rights

Antiracism protesters converge on Atlanta

Police officer sacked after fatal shooting of black man outside restaurant

DEMETRI SEVASTOPULO AND LAUREN FEDOR — WASHINGTON

Hundreds of protesters descended on the Georgia state legislature to call for police reform three days after a white officer fatally shot a black man outside a Wendy's restaurant in Atlanta.

The National Association for the Advancement of Colored People had organised the "March on Georgia" after the killing of George Floyd in Minnesota. The focus of the demonstration expanded after Rayshard Brooks, 27, was shot in Atlanta on Friday.

Brooks died after people had taken to the streets of cities across the country in protest against systemic racism and police brutality. Floyd and Brooks are the latest in a long line of black men killed by white police officers.

Erika Shields, the Atlanta police chief, resigned over the shooting on Friday night. Garrett Rolfe, the officer who killed Brooks, was sacked after Keisha Lance Bottoms, the city's mayor, called for his dismissal. Devin Brosnan, a second officer at the scene, has been placed on leave, pending an investigation.

Police had been called to a Wendy's where Brooks was asleep in his car, blocking the drive-through lane. Video showed Brooks complied in a friendly manner with the officers, who administered a breathalyser test. Brooks failed and offered to walk to his sister's home, but the officers tried to arrest him. Brooks resisted and fled with an officer's stun gun but was shot in the back.

Critics argue the officer had no cause to shoot since they had identified Brooks and had made sure he was not carrying a weapon.

On Capitol Hill, lawmakers from both parties have proposed reforms of policing practices. Last week, Democrats in the House and Senate introduced a measure that would ban chokeholds, create a national registry to track police misconduct, make it easier for prosecutors to seek criminal and civil penalties for police abuse, and ban certain "no-knock" warrants, that allow officers to forcibly enter properties.

Republican senators are expected to present a bill tomorrow in an effort led by Tim Scott, the sole black Republican senator, who said it would include a registry but emphasise training.

Donald Trump, who has been lambasted for his response to the antiracism protests, did not comment on the Brooks case. He defended his record on race yesterday, saying he had done more in four years for "Black America" than Joe Biden, the Democratic presidential nominee, had done in 40 years.

Brooks' family thanked the public for their support and urged people to continue to be vocal about the case. Tomika Miller said her husband was "looking down smiling" because his name would be remembered and would bring attention to the need to address racism.

L Chris Stewart, a lawyer for the family, urged people not to blame Brooks for resisting arrest. He said many black men were nervous about being arrested, particularly after watching how Floyd was killed in Minneapolis.

Floyd, 46, died after a white police officer knelt on his neck for almost nine minutes, even though he was restrained in handcuffs and lying on the ground surrounded by four police officers.

Central Africa. Political upset

Virus stalks Burundi elite after president's death

Senior officials deny reports Nkurunziza is first head of state to die with Covid-19

DAVID PILLING — LONDON
ANDRES SCHIPANI — SAO PAULO

Photographs circulated on Burundian social media this weekend showing Evariste Ndayishimiye, the president-elect, signing the condolence book of Pierre Nkurunziza, the recently deceased president.

Such is the climate of fear and rumour in Bujumbura, the central African nation's biggest city, that some were genuinely surprised to see that the president-elect was actually alive.

The photograph has helped put paid to whispers that Mr Ndayishmiye had become the latest member of the establishment to succumb to coronavirus, which appears to have torn through Burundi's elite and thrown the country into constitutional uncertainty.

Last week, Burundi was shaken by the news that Nkurunziza, an apparently fit 55-year-old who had denied that coronavirus posed much danger, had collapsed and died, officially of a heart attack. Only three days earlier, the sports-mad former rebel leader who had run the country of 11m people since 2005 had been attending a volleyball match before being rushed to hospital.

Diplomats, citing medical sources, said there was a high probability that Nkurunziza, whose wife was last month airlifted to Kenya with suspected Covid-19, had died from side-effects of the virus. Other members of his family, including his mother, are also said to have been infected with the virus, prompting one diplomat to call Nkurunziza a "super spreader".

A senior Burundian official dismissed such comments as "just rumours". But if confirmed, Nkurunziza would be the world's first head of state to die from Covid-19. Boris Johnson, UK prime minister, recovered from the illness in April after several days in intensive care.

"It seems that the virus has really shaken the top of the party," said Ketty Nyivabandi, a poet and activist from Burundi who lives in exile in Canada. "It's a strange and interesting time in Burundi right now."

Like other leaders including Alexander Lukashenko, Belarus's strongman, Jair Bolsonaro, president of Brazil, and John Magufuli, president of neighbouring Tanzania, Nkurunziza had refused to take strong measures against Covid-19. His death, apparently from the virus, might send a chill through other governments whose leaders have been unwilling to confront the pandemic with aggressive measures, diplomats and analysts said.

> 'The Covid situation in Burundi is awful. It is really, really bad'

In Burundi, schools, places of worship and even sporting events had continued to operate throughout the pandemic. Nkurunziza had pressed ahead with national elections to choose his successor in spite of concerns that tightly packed political gatherings were a perfect venue for transmitting the virus.

Mr Ndayishimiye, the candidate for the ruling CNDD-FDD party, told supporters at one rally not to worry about Covid-19. "Do not be afraid," he said. "God loves Burundi and if there are people who have tested positive it is so that God may manifest his power."

Officially, Burundi has just 85 cases and only one person has died of the virus, though few health experts accept the government's data. In May, Burundi expelled the World Health Organization team monitoring the outbreak.

"The Covid situation in Burundi is awful. It is really, really bad," said one western diplomat, speaking on condition of anonymity. "I hope [Nkurunziza's death] really serves as a wake-up call to Burundi's leadership — and those of other countries like Tanzania — to keep people from dying."

Analysts at Crisis Group, a think-tank, warned that Nkurunziza's sudden death risked sparking a tussle for power between the president-elect and Pascal Nyabenda, president of the national assembly, the late president's preferred successor. Under the constitution, if a sitting president dies, the president of the national assembly takes over on an interim basis.

However, the constitutional court on Friday sought to head off a crisis by ruling that Mr Ndayishimiye, whose inauguration had not been due until August 20, assume office as soon as possible.

For Nkurunziza, who became president in 2005 after a long civil war, it was not meant to have ended this way. Having held on to power with a contentious referendum in 2015 that allowed him to serve a third term as president, he had agreed to step down this year on condition that he be designated Paramount Leader, Champion of Patriotism and Leadership Core. Most analysts expected him to seek to pull strings from behind the scenes.

Nkurunziza's regime was accused of murdering and torturing opponents and silencing the media. His successful quest for a third term triggered an attempted coup and the displacement of 400,000 people, many of whom remain in refugee camps in Tanzania. His death ended his stint as Paramount Leader before it had begun.

Evariste Ndayishimiye, president-elect, signs a book of condolence for Pierre Nkurunziza. Below, street vendors at Bujumbura bus terminus
Tchandrou Nitanga/AFP/Getty Images; Evrard Ngendakumana/Reuters

South-east Asia

Indonesia reaches for QE to offset effects of pandemic

STEFANIA PALMA — SINGAPORE

Indonesia will use unprecedented quantitative easing and other monetary and fiscal policies for as long as it takes to recover from the pandemic, its finance minister said.

With the private sector in retreat after weeks of lockdown, massive state spending was needed to buoy the economy, said Sri Mulyani Indrawati. "The government is the only player in town."

South-east Asia's largest economy has become one of the biggest emerging markets to experiment with QE, under which a central bank buys government bonds to fund an economic relief programme and counter market turmoil.

Ms Indrawati said the pandemic triggered a "perfect storm" of falling state revenue, rising fiscal spending and volatile financial markets. ". . . the central bank can play as a standby buyer," she said, but Indonesia would not rely on central bank financing in the long run. "That is not good policy practice."

Indonesia suffered Rp125tn ($8.83bn) of capital outflows in the first quarter as the pandemic struck. The yield on 10-year, rupiah-denominated government bonds jumped from a low of 6.5 per cent in February to 8.3 per cent in late March, while the currency fell from about Rp13,500 to Rp16,500 against the US dollar in the same period.

In response, authorities this year gave Bank Indonesia permission to buy government bonds in the primary market for the first time. Indonesia's QE also allows for central bank purchases in the secondary market.

Jakarta is forecasting a fiscal deficit this year of 6.34 per cent of gross domestic product, more than double the constitutional 3 per cent cap, which has been lifted until 2023.

Bank Indonesia has also used QE to stem outflows of foreign capital. The economy is vulnerable to the outflows and currency depreciation during crises with foreign holdings of rupiah-denominated government bonds standing at about 40 per cent pre-pandemic.

Changyong Rhee, director of the Asia Pacific department at the IMF, said Indonesia had made clear QE would be used only as a last resort. Jakarta was committed to the independence of its central bank, he said, adding: "We believe there is good intention."

QE has had some success. Foreign capital inflows totalled Rp7tn in the first week of June. This month, the yield on 10-year rupiah-denominated government bonds fell just below 7 per cent while the currency appreciated to Rp13,800 against the US dollar. But at 30 per cent, foreign holdings of government bonds have yet to fully recover.

"There are some encouraging signs in the latest auctions . . . but still they [foreign investors] haven't returned in a big way," said Joseph Incalcaterra, chief Asean economist at HSBC.

The government could also face governance challenges managing a spending surge in a country that scores poorly in corruption indices, analysts said.

"The opportunities for rent-seeking are pretty immense," said Peter Mumford, head of south-east and south Asia at Eurasia Group. "Governance mechanisms have been weakened as a result of reducing the powers of the anti-corruption body. That will be a concern."

Moscow trial

Former US marine jailed in Russia for spying

VALERIE HOPKINS
SOUTH-EAST EUROPE CORRESPONDENT

A Moscow court has sentenced a former US marine to 16 years in prison after he was found guilty of spying in a trial that American diplomats said was unfair and lacking transparency.

Paul Whelan, who also holds British, Canadian and Irish passports, was arrested by Russian security agents in December 2018 while at a wedding at an upmarket Moscow hotel.

After being sentenced yesterday, Mr Whelan dismissed the court's verdict as "political theatre" and said he had not understood a word of the proceedings that had been conducted in Russian.

US secretary of state Mike Pompeo said the US was "outraged" by the conviction and demanded Mr Whelan's immediate release. "The treatment of Paul Whelan at the hands of Russian authorities has been appalling. Russia failed to provide Mr Whelan with a fair hearing before an independent and impartial tribunal," he said.

John Sullivan, the US ambassador to Russia, said Mr Whelan's conviction was a "mockery of justice" and called for his immediate release. "This secret trial in which no evidence was produced is an egregious violation of human rights and international legal norms," Mr Sullivan said. "The world is watching."

At the time of his arrest, Mr Whelan, now 50, was director of global security for an automotive components manufacturer in Detroit. The prosecution alleged that Mr Whelan had received a thumb drive of classified materials.

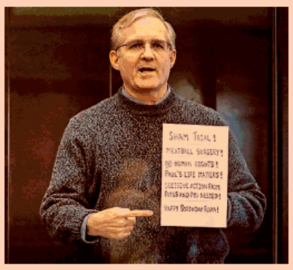
Mr Whelan, who pleaded not guilty, said he thought a Russian friend was giving him pictures from a recent trip, and said he had been framed.

Some observers speculate that the court verdict may be used as leverage by the Kremlin to attempt an exchange for high-value Russian citizens being held in the US, a claim denied by Moscow.

The case follows the detention in Moscow of Michael Calvey, a high-profile American investor, and Philippe Delpal, his business partner and a French national. Mr Calvey, chief executive of Baring Vostok, a private equity company, was detained in Moscow with five colleagues in February 2019 on charges of financial fraud. All have denied any wrongdoing.

Mr Calvey has been under house arrest since April 2019, which was extended by a Moscow court until mid-August. Mr Delpal was released into house arrest in August last year.

The move against Baring Vostok, one of the largest foreign investors operating in Russia, and its founder, stunned the foreign business community and raised questions about the risk of doing business in Russia.



Fury: Paul Whelan holds up a sign denouncing the legal proceedings

Rappler website

Philippines journalist convicted of 'cyber libel'

JOHN REED
SOUTH-EAST ASIA CORRESPONDENT

Philippines journalist Maria Ressa, chief executive of the Rappler news website, has been found guilty of "cyber libel" and sentenced to up to six years in prison.

The conviction was the first to be delivered against Ms Ressa, whose company and colleagues face another seven criminal cases under an array of charges brought by Rodrigo Duterte's administration since 2017. Human rights campaigners described the verdict as a blow for press freedom in the country.

Ms Ressa, a former Manila and Jakarta bureau chief for US television channel CNN, was found guilty along with Rey Santos, a former Rappler researcher and writer. But the court found no liability for Rappler's corporate entity, which was also charged.

The court allowed the two to post bail, and sentenced them to between six months and one day and six years in jail. Last week, Ms Ressa said Rappler planned to challenge the verdict "all the way to the Supreme Court".

Founded in 2012, Rappler has won a keen audience among liberal Filipinos critical of Mr Duterte. It has angered administration officials with its reporting on the president and his family, the administration's interactions with big business and China, and its anti-drug campaign that has killed tens of thousands of people since the president took power in 2016.

> The Committee to Protect Journalists described the conviction as 'a crime against press freedom'

The charges in the cyber libel case were brought last year by the Philippine justice department in response to a 2017 complaint by Wilfredo Keng, one of the country's richest businessmen, under an eight-year-old cyber crime law.

The article that prompted Mr Keng's complaint was published in May 2012, four months before the law was passed. But prosecutors were able to pursue the case because Rappler republished the story in February 2014 to correct a one-letter mistake in the story.

The story in question, which remains accessible on Rappler's website, linked an impeached then-Supreme Court chief justice to a vehicle registered in the name of Mr Keng. Mr Keng has denied wrongdoing.

The US-based Committee to Protect Journalists described Ms Ressa's conviction and sentencing as "an outrageous crime against press freedom". Human Rights Watch said the verdict was "a devastating blow to media freedom in the Philippines".

Ms Ressa, other Rappler executives, and the website itself also faced charges of tax evasion and violating rules barring foreign ownership of media companies. The company and Ms Ressa have denied any wrongdoing, and their supporters describe the charges as a legal vendetta meant to silence them.

The guilty verdict comes against the backdrop of deteriorating human rights standards and media freedom in the Philippines. ABS-CBN, the country's leading broadcaster, was last month ordered to close.

Fabio Panetto Covid-19 crisis highlights how the euro is not fulfilling its promise as a global currency ➔ MARKETS INSIGHT

Companies & Markets

Facebook picks Brazil for first WhatsApp payment tool

- Group focused on emerging markets
- Push to facilitate more shopping

HANNAH MURPHY — SAN FRANCISCO

Facebook is forging ahead with plans to bring ecommerce to its platforms to capitalise on emerging markets, launching a digital payments service for WhatsApp's 120m Brazilian users.

The messaging app acquired by Facebook in 2014, yesterday unveiled WhatsApp Pay, which will allow users to send money to one another for free or make purchases from small businesses, without leaving the chat platform.

The Brazil launch is the first nationwide rollout of payments on WhatsApp, and acts on comments by Mark Zuckerberg, Facebook chief executive, this year that the company would prioritise introducing the feature in four markets: Brazil, Mexico, Indonesia and India.

The move allows Facebook to gather data around spending patterns and compete with Amazon

Brazil is its second-largest market after India, where efforts to launch a payments service have been held up for two years by regulators.

"Making payments simple can help bring more businesses into the digital economy, opening up new opportunities for growth," WhatsApp said yesterday. "In addition, we're making sending money to loved ones as easy as sending a message, which could not be more important as people are physically distant from one another."

The move comes as Facebook continues its push to facilitate more shopping on its platform, allowing it to gather data around spending patterns and compete with Amazon, the US ecommerce group.

The company has started to roll out Facebook Pay, a similar service, on its Facebook and Messenger app, while last month it launched Facebook Shops to allow sellers to create digital storefronts on Facebook or Instagram. Deutsche Bank analysts deemed Shops to be a $30bn-a-year-revenue opportunity.

WhatsApp said yesterday that it would facilitate peer-to-peer payments for users for free, and that the system would integrate with Facebook Pay so that users' card information would be saved across the services.

Small businesses, which can already respond to questions from users and upload a catalogue of products in WhatsApp's business version, will have to pay a 3.99 per cent "processing fee to receive customer payments", WhatsApp said, adding that this was "similar to what they may already pay when accepting a credit card transaction".

Payment processing will be facilitated by Cielo, WhatsApp said. The system will support debit or credit cards from Banco do Brasil, Nubank, and Sicredi on the Visa and Mastercard networks, it said, adding that it had "built an open model to welcome more partners in the future".

WhatsApp said that "WhatsApp and Facebook will not automatically use your payment account and transaction details to inform the ads that you see", but that individual businesses could use certain user information "for advertising purposes".

"The business has a responsibility to ensure it handles your data in accordance with its privacy policy and applicable law", the company added.

In India, WhatsApp's efforts to launch a digital payments service have been held up by regulators, including the country's central bank. The company said it was pursuing approval and intended to launch in the country as soon as possible.

Bet on the future Siemens confident mass rail commuting will remain 'backbone of cities'

Grinding away: Siemens says stimulus packages stopped customers from cancelling orders — David Paul Morris/Bloomberg

JOE MILLER — FRANKFURT

Siemens, one of the world's largest train makers, has insisted that mass rail commuting will remain "the backbone of cities" even as the German group confronts the disruption to public transport wrought by coronavirus.

The conglomerate's train division, Siemens Mobility, suffered a more than 30 per cent drop in orders during the first quarter as government budgets were squeezed by a pandemic that has also sharply cut the numbers of people travelling on public transport.

As countries in the west follow those in Asia by easing lockdowns, Siemens Mobility, which manufactures and services trains and trams, has introduced a series of measures to reduce the risk of the virus being spread by commuters.

The group has deployed robots to clean carriages, disinfected trains with UVC light and used 3D printing to create parts that allow passengers to open doors with their elbows. It is also working on air-filtration solutions, pending guidance from health authorities, and its digital programmes are being used to help customers with contactless ticketing and to monitor occupancy levels of trains.

Sabrina Soussan, co-chief executive of Siemens Mobility, said she was confident that passenger demand would return to pre-coronavirus levels by the second half of 2021, at the latest, and that the market would "continue the long-term growth in the lower single-digit range".

Mass commuting on trains "will remain the backbone of cities", she said. Cross-border freight had proved resilient during the coronavirus pandemic, Ms Soussan added.

Rail freight journeys from China to Europe, for example, have increased more than 40 per cent on an annualised basis between March and May, as air transport capacity was cut by the cancellation of passenger flights, which often carry cargo.

However, Singapore's high-speed rail project is among those to have been delayed by the pandemic, while the group said it also expected a slowdown in Latin America.

Siemens Mobility said stimulus packages in Europe and the US were stopping many of its customers from cancelling orders, and that the struggles of the airline industry could end up helping railway operators.

"Energy consumption is lower on trains, and social distancing between seats can be done more profitably than on planes," Michael Peter, co-chief executive, told the Financial Times. "The basic mathematics of the rail industry are still intact," he added. "People need to travel to work, people are ageing, people need public transportation."

Travelex scraps sale as lenders reject offers

DANIEL THOMAS — LONDON

Travelex has pulled the sale of its business after its banks and bondholders rejected offers from a shortlist of potential buyers, leaving the currency exchange heading for a debt-for-equity restructuring as it scrambles to secure its future.

In a statement to investors yesterday, Travelex said that it had received several non-binding offers but that these "were unacceptable" to lenders that provided its revolving credit facility and to bondholders.

The company said, however, that it remained in talks with its banks and a group representing about two-thirds of senior secured note holders about a "new money financial restructuring" of the group. This will mean some form of debt-for-equity swap, according to one person close to the discussions.

The banks in the facility include Barclays, JPMorgan, Bank of America Merrill Lynch, Goldman Sachs and Deutsche Bank. PwC is advising Travelex on the process.

S&P, the rating agency, has said that Travelex's capital structure was "unsustainable on a standalone basis", with €360m owed to bondholders and a further €90m revolving credit facility. It pointed to the weak liquidity position and highly leveraged capital structure, which made a debt restructuring or default "almost certain".

Travelex is the world's largest retail currency dealer but has been hard hit by the pandemic, which has forced outlets in airports and on high streets to shut. It was founded by Lloyd Dorfman more than 40 years ago. Its business spans 60 countries, and includes more than 1,000 cash machines.

Yesterday Travelex said that it had a temporary waiver from more than 70 per cent of the holders of the senior secured notes to allow it time to negotiate the terms of the financial restructuring. This means that the company will be able to avoid breaching the terms of its debt after failing to pay €14.4m in interest that was due on May 15 — at least until expiry of the agreement at the start of July.

Travelex chief executive Tony D'Souza said the agreement provided stability "for lenders to finalise their discussions on a debt restructuring which we expect will recapitalise the group's balance sheet and inject new capital into the business".

Military service risks confining K-pop IPO's growth hopes to barracks

INSIDE FINANCE

ASIA

June Yoon

Fans of Korean boy band BTS are nicknamed the Army. The band's haul of merchandise could soon include shares in the agency that manages them.

A planned flotation is expected to value the company, Big Hit Entertainment, at as much as Won5.2tn ($4.3bn). But South Korea's actual army could bring the music to a halt. Mandatory military service for the band's members is set to pause the phenomenal growth it has driven.

BTS is the most successful export of the musical phenomenon that is Korean pop. Its formula of catchy tunes, slick dance routines and well-groomed stars, has caught on around the world. As a result, plans to list Big Hit Entertainment have stirred global interest.

Korean music agencies have a lucrative business model. One or two bands generally make most — about 80 per cent — of their revenues, which keeps costs low. Fans snap up concert tickets, albums and branded products ranging from coat hangers to cakes and electric massage chairs. That keeps the sector's margins high — more than 32 per cent for JYP Entertainment, one of the four biggest agencies — while investor returns can be sensational. JYP shares rose by about 3,000 per cent in the eight years to their 2018 peak.

Bankers have high hopes for Big Hit: if expectations are met, it would value it at more than the other top three agencies combined. Top end forecasts imply a price/earnings ratio of almost 50 times optimistic forward earnings and a premium of a quarter over the sector average. Many will be more than happy to ignore the steep price.

There have been very few sellers of the company's existing over-the-counter shares, which tend to go for about $700 each. Retail demand, it seems, is ready and waiting to buy the sector and back BTS at any cost.

There is good reason. BTS are the first pop group since The Beatles to achieve three No 1s in the US Billboard 200 in a year. Last year, they were the world's top grossing tour group. More than 2m fans joined their Love Yourself tour of 2018 and 2019, which grossed $170m.

Current valuations assume a quick return to normality and the ability of Big Hit to cope with career breaks for its stars

The new BTS album has become the world's highest selling this year. Mobile games with BTS characters have topped the Apple App Store.

As for the agency, since Big Hit was founded in 2005, revenues have grown near 700-fold and, in the past three years, at an average rate of 250 per cent. Its first-quarter operating profit of $19m is almost double the combined figure for those three local rivals.

However, the listing still looks rather ill-timed, given a pandemic that has cancelled concerts around the world. BTS's Map of the Soul tour would have sold 2.5m tickets. Overseas revenues, which account for almost two-thirds of Big Hit's total, will suffer.

Military service is a more predictable threat to the earnings of Korean boy bands. Their popularity peaks generally when band members are in their mid-twenties — which is also when they have to join the army for up to 24 months.

Jin, the oldest member of BTS, turns 28 — the latest date by which he can enter — in December. The youngest, Jungkook, is 23. It could take more than seven years to put the band back together with its current line-up.

Unfortunately, absence does not always make the heart grow fonder. BTS benefited from the gap left by a previous generation of boy bands doing military service. Moving on to younger, newer groups is so common, fans talk about which band they have "transited" to — as you would change metro lines.

Historically, K-pop stocks start declining, by up to 40 per cent, a year ahead of the date the oldest band member is due to enlist. As they go to do their duty, profits inevitably fall.

How is Big Hit planning to tackle the problem? First, the solo careers of band members can cushion the revenue drop. Second, diversification away from concerts and new albums could also help. Big Hit has increased its non-artist management revenue to more than a fifth of the total, by expanding in areas such as ecommerce, mobile gaming, book publishing and IP licensing. It has also bought smaller rivals.

Yet those investments have also played a large part in an 18-percentage point decline in its once-enviable operating margins of 35 per cent over the past three years.

Current valuations assume a quick return to normality and the ability of Big Hit to cope with sequential career breaks for its stars. That seems optimistic to bystanders who have so far failed to enlist in the BTS fan Army.

june.yoon@ft.com

Contracts & Tenders

Legal Notices

Airlines

Walsh defends round of BA job losses

IAG chief says carrier is complying with law after 'national disgrace' claim

BETHAN STATON — LONDON

The chief executive of British Airways owner IAG has written a scathing response to a parliamentary committee that branded the carrier a "national disgrace" over moves to cut jobs and change terms and conditions for its workforce.

Willie Walsh yesterday said that BA was in "full compliance with the law" with regard to redundancies, because it was "only proposing changes that it wishes to consult over" with trade unions.

"British Airways is mired in the deepest crisis the company has ever faced and is acting in a perfectly lawful manner," Mr Walsh said in a letter to Huw Merriman, who heads the Commons transport select committee, adding that the company was "fighting for its survival".

The select committee on Saturday singled out BA in a report on the impact of coronavirus on aviation, following weeks of animosity between the carrier and MPs.

BA announced in April that it would cut up to 12,000 jobs, nearly 30 per cent of its workforce, as a result of the coronavirus crisis and the depleted passenger levels that it said could continue for several years.

Mr Merriman acknowledged that the Covid-19 lockdown may have justified some job losses in the aviation sector, but accused the airline of using the pandemic as an opportunity to effectively fire its staff and re-hire them on dramatically worsened terms and conditions.

> 'British Airways is fighting for its survival in the face of overwhelming and unprecedented challenges'

"This wanton destruction of a loyal workforce cannot appear to go without sanction — by the government, parliamentarians or paying passengers who may choose differently in future," said Mr Merriman. "We view it as a national disgrace."

In his letter, Mr Walsh said Mr Merriman had made clear the report would be based on impassioned messages from BA employees "rather than the facts".

The facts, he said, were clear and to the contrary: that BA had been unsupported by the government policy of 14-day quarantine, and employees had been "betrayed" by trade union leaders who had refused to engage in consultations.

"The truth is, indeed, rarely pure and never simple," he said. "British Airways is fighting for its survival in the face of overwhelming and unprecedented challenges while respecting the fundamental British value of the rule of law."

Unite, the union representing some of BA's employees, on Saturday voiced its support for the select committee report.

"Outside of the BA boardroom bunker, it is hard to find one single defender of the actions and supporter of the airline's plans," said Len McCluskey, general secretary of the union.

"Once again, BA has shown that if there is a wrong way to go about things, then that is the reckless path that it will choose."

Interview. Lubomira Rochet

Crisis speeds up L'Oréal's digital makeover

Lockdowns prove value of virtual tools in shift to online sales, says group's tech chief

LEILA ABBOUD — PARIS

The coronavirus lockdowns have sparked broad changes to how women discover and shop for beauty products by pushing more activity online, especially among older demographics who were previously wary, according to L'Oréal's chief digital officer.

"The crisis has profoundly accelerated the digital transformation of the beauty sector," said Lubomira Rochet in an interview.

"In ecommerce, we achieved in eight weeks what it would have otherwise taken us three years to do."

L'Oréal, which is the world's biggest cosmetics maker by sales, believes many of these consumer behaviours will last after the pandemic subsides. New marketing tools, such as virtual try-ons for make-up and hair colour and one-on-one beauty consultations via video chat, also proved their usefulness while stores were closed.

Even before coronavirus hit, the cosmetics sector was further along in adopting ecommerce and digital marketing than other categories of consumer goods, such as grocery or household products.

Market leaders L'Oréal and Estée Lauder have spent heavily to boost their digital firepower, while newer celebrity-fronted brands such as Huda Beauty and Charlotte Tilbury have grown rapidly by wooing consumers on social media.

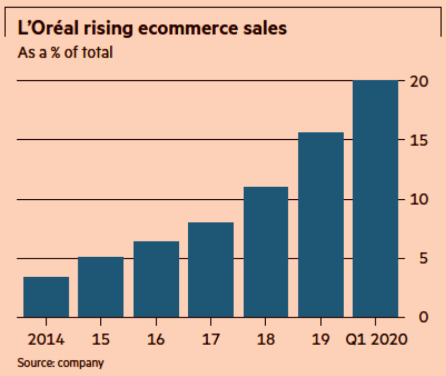
About 20 per cent of L'Oréal's revenues now come from its own branded websites or those of online retailers such as Amazon or Walmart. In the first quarter to the end of March, the French group's ecommerce sales grew 53 per cent compared with a year earlier.

In contrast, Unilever, which sells packaged foods, household and beauty products, earned 8 per cent of its first-quarter sales online, while Nestlé, the world's biggest packaged food manufacturer, recorded 10 per cent of its sales from ecommerce during the period.

Beauty salons and department stores were closed during lockdowns, but some retailers through which L'Oréal usually sells remained open, such as pharmacies. Ms Rochet said that, initially, shoppers stocked up on personal care products such as Garnier shampoo, and later as they realised lockdowns would last, they bought hair dyes, nail polish and face masks to take care of themselves at home.

Online offerings such as this virtual hair adviser have boosted revenues — Alain Jocard/AFP

With some of its distribution channels closed, L'Oréal's sales fell 4.8 per cent year on year in the first quarter on a comparable basis. Barclays forecasts a 9.2 per cent decline in revenues this year, before rebounding to grow 7.8 per cent in 2021.



L'Oréal rising ecommerce sales

As a % of total

Source: company

Despite the dip in sales, there were some bright spots in the crisis. L'Oréal quickly shifted its advertising and marketing spending online, taking it to about 70 per cent of the total from 50 per cent before the pandemic.

As a result, ecommerce grew rapidly even in places where it was originally less developed. For example, in Latin America, online sales jumped 300 per cent in April, and in Africa and the Middle East they rose 400 per cent.

The crisis has also pushed more retailers through which L'Oréal typically sells its products to develop their own online offerings. Fifteen companies including Amazon, Boots and AS Watson have added L'Oréal's virtual try-on technology called ModiFace to their websites and apps. Consumers spent nine minutes on average using ModiFace to test out hair colour or foundation tones on themselves, up from two minutes before the crisis.

> 'We achieved in eight weeks what would have taken three years'
>
> Lubomira Rochet

"ModiFace has been a big competitive advantage in the crisis for us," said Ms Rochet, who convinced L'Oréal chief executive Jean-Paul Agon to buy the Canadian start-up in 2018.

Back in 2013, L'Oréal set goals for its digital transformation, which were for ecommerce to reach a fifth of group sales by 2020, and for half of its marketing dollars to be spent online. Those goals have now been achieved thanks to shifts in consumer behaviour wrought by coronavirus, and L'Oréal will now think even bigger on digital, according to Ms Rochet.

"We had targets for the second stage of our digital transformation but Covid-19 has changed the landscape profoundly, so we have to reassess them," she said.

"We are setting ourselves up for a world where half of the business is ecommerce and 80 per cent of consumer interactions will happen online."

Banks

Intesa boosts branch sales plan to allay competition concerns

SILVIA SCIORILLI BORRELLI

Intesa Sanpaolo, Italy's largest lender by assets, has increased the number of branches it will sell to allay competition concerns in its takeover of smaller domestic rival UBI.

Intesa said yesterday that it had agreed the sale of 532 branches to Modena-based BPER. This is up from the 400-500 branches initially envisaged, and at a slightly higher discount for BPER.

The move follows a warning by Italy's antitrust regulator last week that Intesa's takeover of UBI threatens competition in the domestic banking and insurance market.

Intesa launched an all-share deal for UBI in late February in what it described as an effort to consolidate Italy's fragmented banking sector. Acquiring UBI, Italy's third-largest bank, would give Intesa another 3m retail, small business and private-banking clients.

Two people involved in the talks said 532 was the minimum number of branches that would be sold after the potential takeover, but it could rise to 600 if necessary. The people also said Intesa had taken into account the antitrust watchdog's remarks and had submitted a detailed province-by-province sales plan. The additional branch sales are focused in the regions of Abruzzo, Calabria, Marche and Basilicata, as well as parts of the north-east of Italy.

Under the revised terms, BPER would acquire an additional €4.5bn in assets from the combined entity and, according to its statement, it would improve its Common Equity Tier 1 and non-performing loan ratios — both measures of financial strength.

BPER said it would pay whichever was the lower amount between 0.55 times the core capital of the assets it was buying and 78 per cent of the implied multiple paid by Intesa for UBI's core capital, down from 0.8 times previously.

"This is positive news for both BPER (improved pricing and more economies of scale) and Intesa," said a note from Kepler Cheuvreux.

Intesa now expects the antitrust regulator to approve the takeover, according to the two people. Intesa declined to comment on its conversations with regulators but "reiterated that it has no intention of changing its offer [to UBI]".

Consob and Ivass, Italy's financial and insurance regulators, respectively, are also expected to approve the operation this week, according to several people involved in the talks. Consob and Ivass declined to comment on their upcoming verdicts.

Ivass said its decision would be communicated to the parties this week. According to the law, Consob will then have five days to publish its verdict.

Within five days of the publication of the offer's prospectus following the regulators' decisions, UBI is due to call a board meeting to discuss the takeover amid advice from its bankers at Credit Suisse and Goldman Sachs.

UBI said: "The board has not yet seen the prospectus and therefore it is yet to decide on the offer."

Several people involved in the discussions said it was unlikely UBI's board would accept the current terms of the offer. "In that case it would turn into a hostile takeover," said one of the people.

Insurance

Japan gains taste for buying policies online

KANA INAGAKI AND LEO LEWIS — TOKYO

Coronavirus has accelerated an analogue-digital showdown that Japan had hoped could be postponed for years: the clash between selling insurance online and the country's 230,000-strong army of seiho ladies, the all-female door-to-door salesforce.

Months of closed offices in city centres have taken away one of the seiho salesforce's most concentrated source of potential customers, say analysts. Companies are now allowing staff to use messaging and videoconferencing apps to win new contracts.

New sales channels using smartphones and other online tools have also opened up. Mitsui Sumitomo Aioi Life Insurance, for example, is offering cancer insurance via multi-function copiers at 7-Eleven convenience stores across the country from this week.

Analysts say these moves could be a turning point for an industry that has been stubbornly slow to embrace digital transformation. Most sales are still done physically, with female staff making up 90 per cent of the companies' salesforce.

Hayanari Uchino, managing director at Daiwa Research Institute, said the survival of insurance companies will depend on their willingness to shift to a digital approach. "As sales channels diversify further, it will likely be necessary for the industry to consider what the appropriate total number of salespeople should be," he said.

Large life insurers such as Dai-ichi Life Insurance and Meiji Yasuda Life Insurance stress that no job cuts to their salesforces are planned, even as they place digital strategy at the forefront of their longer-term planning.

Still, Mikuri Kinoshita, a saleswoman at Orix Insurance, is concerned about the future as customers are exposed to the convenience of buying policies online during the Covid-19 crisis.

"Once it becomes possible to do, I'm worried that there will be more customers who would opt for the internet option. If sales are completed online, it won't be counted in the performance of salespeople," she said.

Starting in May, the company cleared Ms Kinoshita to sell policies to customers using videoconference tools. Previously, she was required to meet them in person to check their health conditions before a contract could be signed.

While her monthly income is not based on the number of contracts agreed, many saleswomen with commission-based salaries have suffered a decline in earnings as customers put off buying policies during the lockdown.

Analysts warn redundancies are inevitable. "In the longer term the salesforce is going to shrink. Will they say it officially? Not for the time being," said Hideyasu Ban, an analyst at Jefferies.

Company officials caution that the digital transformation will not occur overnight. Despite the recent diversification of sales channels, life insurers have strengthened their manpower, with the number of salespeople increasing 2.8 per cent during the past four years to 234,286, according to the Life Insurance Association of Japan.

Nonetheless, the case for digitalisation has strengthened as online insurance companies have delivered stronger performance during the pandemic. At Lifenet Insurance, the annualised value of contracts with new customers in April rose 87 per cent year on year to ¥456m ($4.2m), as traditional insurers cut back on face-to-face sales.

Travel & leisure

Cineworld faces suit for exiting Cineplex deal

ALICE HANCOCK — LONDON

Cineworld, the world's second largest cinema chain, is facing the threat of costly legal action after its Canadian rival Cineplex launched action against it for pulling out of a $2.3bn deal that was due to complete this month.

Toronto-based Cineplex said yesterday that after Cineworld's "abandonment" of the acquisition, it would "promptly" start legal proceedings and seek damages for the UK cinema group's breach of the agreement.

Cineworld had agreed to pay C$34 (US$25) a share for Cineplex in December with the deal due to complete at the end of June, subject to Canadian competition authority approval. But the near-total closure of cinemas globally due to the pandemic has wiped more than C$1bn from Cineplex's valuation.

"The deal looked like it made a lot of sense. It looked like quite a decent business . . . But we are in a very different world now. From an operational point of view Cineworld have enough to do with their own estate at the moment without trying to take on another chain as well," said Richard Marwood, a senior fund manager at Royal London Asset Management, which holds a 2.5 per cent stake in Cineworld.

Wes McCoy, investment director at Aberdeen Standard Investments, a top 10 Cineworld shareholder, added: "We are very comfortable with them not completing the transaction. So many views of the future have been changed."

Several deals have fallen apart on acrimonious terms since the pandemic hit, but the Cineworld deal is one of few involving a UK-listed company. In the US, the private equity group Sycamore, which had been pursuing a $525m deal to buy lingerie company Victoria's Secret; and shopping centre owner Simon Property Group, which called off a $3.6bn deal to buy smaller rival Taubman Centers, have settled out of court.

No show: Toronto-based Cineplex accuses Cineworld of 'abandonment'

Cineworld announced it was pulling out of the Cineplex acquisition after market close on Friday, just days before the Canadian competition authority was due to rule on the deal.

It said Cineplex had suffered a "material adverse effect", which meant the acquisition could not go ahead. Under the terms of the deal, Cineworld had grounds to withdraw if Cineplex breached a level of $725m debt. When it last reported figures in February, Cineplex had net debt of $625m.

Natasha Brilliant, an analyst at Citi, argued that Cineworld should have waited until either the Canadian watchdog blocked the deal or Cineplex publicly breached its debt obligations.

"There is now a potentially lengthy overhang while the two parties seek some sort of resolution — each blaming the other for the deal failing and subsequently seeking damages," she said.

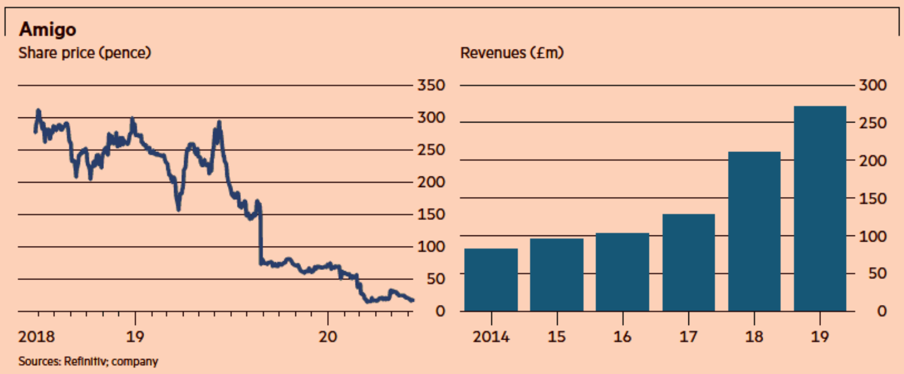
Cineworld declined to comment on the legal proceedings.

Amigo Loans faces the music with crunch vote on boardroom clear-out

Founder Benamor's battle with executives comes as the guarantor lender faces risk of collapse

TABBY KINDER AND ROBERT SMITH
LONDON

M.I.A. performs at Bestival in 2018. The music festival is one of the ventures invested in by James Benamor, below, after he quit Amigo's board — Joseph Okpako/Wireimage



Sources: Refinitiv; company

James Benamor took an unconventional path to become one of the UK's youngest billionaires. He dropped out of school at 15, turned to petty crime, then later founded Amigo Loans, Britain's largest guarantor lender that at its peak was worth £1.5bn.

Now he is staging the most unconventional of boardroom battles. Less than two years after Amigo was listed, and as his fortune has been shattered by a collapse in its value, the 43-year-old is seeking to depose the company's board in a move that risks its shares being suspended from trading.

The fight pitches one of the UK's most colourful entrepreneurs against a cast of suited executives just as the lender's entire business is at risk of collapse.

"Amigo is his life's work, this is personal for him," said one person who has worked with Mr Benamor. "He is a bull-headed entrepreneur who wants to break through barriers. What he's doing is unconstructive for Amigo's share price, but for him it is bigger than that."

Amigo provides high interest loans to people with bad credit ratings as long as they have a friend or relative willing to bear the risk. For years it has made substantial profits out of lending to troubled borrowers. But now the value of its own debt has crashed to levels suggesting its bondholders are braced for heavy losses and a wipeout of shareholders.

The company's performance unravelled last year after it overhauled its lending criteria — reducing loan growth — in an attempt to pacify regulators that were growing concerned about its practices.

At the heart of Mr Benamor's spat with Amigo's directors is the way they have handled the regulatory issues.

The row has played out through blogs and on Twitter, where Mr Benamor has accused Amigo's directors of mismanaging the company, lying to investors and customers, and allowing the business to become a "gravy train" for "consultants, lawyers and suits".

Amigo has hit back, hiring libel lawyers in an attempt to stop journalists from quoting the blog and calling his claims "fundamentally incorrect".

The showdown will come tomorrow, when Amigo's shareholders will vote on whether to approve the boardroom clear-out. A court injunction brought by Amigo has banned Mr Benamor, who owns 61 per cent of the company through his Richmond Group vehicle, from voting. In return, Mr Benamor has threatened to sell down his entire stake by 1 per cent a day if Amigo's minority shareholders go against him.

"What happens to the share price in those 61 days is anyone's guess," said one person close to the lender.

If Mr Benamor is successful, the company, which had 230,000 customers and a loan book of £722m at the end of last year, could become inoperable, Amigo has claimed. Neither of his two nominee board directors has regulatory approval to run a financial services business, risking its place on the stock market.

Mr Benamor quit Amigo's board just two months after it floated in London in 2018. "He was never a good fit for a director of a listed business. What every button did on the website was far more interesting to him than going out to meet City types to try and raise funding," a former colleague said.

He ditched the boardroom seat in favour of new ventures, including acquiring Bestival music festival, investing in education technology, charity hiking trips with his friend and mentor, Richard Branson, and spending time with his eight children.

Since then, Amigo's share price has collapsed — plunging from 275p after the float to just 15p on Friday, taking its value down to about £70m. The crash followed pressure from the Financial Ombudsman Service on the company to overhaul how it judged borrowers' ability to repay their loans.

That was accompanied by a 20 per cent surge in complaints from customers, 94 per cent of which were upheld by the ombudsman, forcing Amigo to put tens of millions of pounds aside to make repayments.

Mr Benamor forced his way back on to Amigo's board in December for just four months. He claimed to have found that the lender was rapidly refunding almost all of its customers' complaints to mollify the Ombudsman but had continued to lend in the same way as before.

"During my short time back on the Amigo board, I have witnessed a company committing slow motion suicide, whilst playing out the script of *Brewster's Millions*," Mr Benamor wrote on a blogging site in March.

The entrepreneur said the Ombudsman was exhibiting "unchecked regulatory power" and that the board should take it to court for an independent ruling on whether Amigo's affordability checks were adequate. Until then, Amigo should cease lending, he said.

"These are maximum impact statements designed to force the issue of whether Amigo has an existential problem with its loans out into the open," said one person with knowledge of the company. "He doesn't believe that there is a problem, but the issue is that you can believe your own hype too much. He could be wrong."

Amigo has previously said it carried out a review that found no "systemic" problems in its approach to lending.

There is speculation among investors and fund managers that issues with Amigo's loans date back to 2016 when the company started "pilot lending" to target customers who would not normally meet borrowing criteria.

"It was an opportunity to rapidly make more money," a consumer debt expert said. "But Amigo has grown its loan book so dramatically since then that what wasn't a very big problem in 2016 could now be a sizeable one."

> 'Amigo has grown its loan book so dramatically that what wasn't a very big problem could now be a sizeable one'

Scrutiny has increased — this month the Financial Conduct Authority launched an inquiry into its lending. The watchdog is investigating Amigo's checks on customer creditworthiness for loans provided since November 2018, having expressed concerns about the expansion of the guarantor loan sector in a February report. Amigo controls more than 80 per cent of that market.

One person close to the company said: "No one in the City has the inside track on this, it all comes down to what the regulator finds." One short-seller was more abrupt, warning that "regulators could end this business".

> 'No one in the City has the inside track on this, it all comes down to what the regulator finds'

The regulatory action has spooked Amigo's lenders. The company's £315m of junk bonds have slumped to less than 50p in the pound, suggesting debt investors believe they are likely to lose most of their money.

Amigo put £18.7m aside last year to cover the cost of complaints and announced this month that it needed at least £35m to clear a further backlog. Its provision for complaints is expected to be significantly increased when the firm reveals its annual results this month. Amigo made pre-tax profits of £53.5m in the nine months to January, down from £79m a year earlier.

Some critics have questioned Mr Benamor's motivation. "He is doing his best to distance himself from Amigo's management if it does turn out that the decisions have been bad," said a second person close to the situation. Mr Benamor declined to be interviewed for this article. Amigo declined to comment.

Tomorrow, Mr Benamor will either attempt to change the path of the company he founded, or walk away.

John Cronin, an analyst at stockbroker Goodbody, said: "I think [Mr] Benamor is ultimately taking these actions to stimulate clarity from a regulatory perspective, which would potentially be constructive in a valuation context.

"Self-preservation is also likely to be a key motivation, with his actions suggesting he is seeking to protect his own reputation if Amigo does end up failing."

Timeline
Tracking Amigo's boardroom battles

- **2005** James Benamor starts FLM loans aged 27
- **2012** FLM rebranded to Amigo followed by a big advertising push
- **2016** FCA authorisation received
- **2017** Breaks £1bn of loans to customers
- **July 2018** Lists on LSE at 275p per share with a market capitalisation of £1.3bn. Mr Benamor sells around £200m of shares, increasing his net worth to more than £1bn
- **Sep 2018** Mr Benamor steps down from board
- **Mid-2019** Financial Ombudsman Service puts pressure on Amigo over its approach to complaints
- **Dec 2019** Mr Benamor forces his way back on to the board. Chairman Stephan Wilcke and CEO Hamish Paton announce their resignations
- **Jan 2020** Amigo puts itself up for sale
- **Mar 2020** Mr Benamor steps down from the board, publishes blog post accusing board of "mismanaging" Amigo
- **Apr 2020** Mr Benamor calls a shareholder meeting to remove the entire Amigo board, scheduled for June 17
- **Jun 2020** FCA announces investigation. Amigo increases its provision for complaints. Mr Benamor writes that he will sell 1 per cent of his 61 per cent holding in Amigo per day if the vote does not remove the board

---

Technology

ByteDance and Lee family plan Singapore bank launch

MERCEDES RUEHL — SINGAPORE

ByteDance is in talks to join forces with Singapore's influential Lee family as it seeks to expand its broad universe of services into banking, a new area for the technology group.

The Chinese company has bid for a digital bank licence in the Asian financial centre and is negotiating a tie-up with an investment group linked to the Lee family, one of the founders of OCBC Bank, south-east Asia's second-biggest bank by assets, said three people with knowledge of the situation.

The Beijing-based company is best known for its video app TikTok, but like many other tech companies, has been trying to move into financial services.

The Monetary Authority of Singapore is set to issue five virtual banking licences by the end of the year, for which ByteDance will compete with Asian tech companies such as Alibaba's Ant Financial and smartphone maker Xiaomi.

For ByteDance, which has a valuation of $75bn and has traded far higher in the secondary market, a partnership with the influential family, which still holds a large stake in OCBC, would be a boost.

The Lees are one of Singapore's most well-known corporate families and derive much of their wealth through the bank stake. Patriarch Lee Kong Chian is known as OCBC's founding father and was a long-serving chairman while family members have held senior positions at the bank, one of the city's three top financial institutions.

The family has a number of businesses including Lee Rubber Group while the Lee Foundation supports charities, schools and other cultural projects.

Some family members have ties to government entities. Lee Seng Wee, son of Lee Kong Chian and another former OCBC chairman, was founding chairman of Temasek Trust, the philanthropic arm of the state-backed investment company. The Lee family is not directly related to the family of Lee Kuan Yew, Singapore's first prime minister.

ByteDance has not publicly confirmed its involvement in Singapore's digital bank process and declined to comment on the bid. A representative for the Lee Foundation and Lee Rubber said they were unavailable for comment. OCBC, which has family member Lee Tih Shih as a board director, also did not comment.

ByteDance had previously explored applying for a virtual banking licence in Hong Kong, which last year also opened its banking sector to tech companies including Tencent and Alibaba.

The company does not operate a digital bank in China, where most virtual financial services are dominated by Tencent and Alibaba via their respective WeChat Pay and Alipay platforms. Instead, ByteDance considers places such as Singapore as better opportunities for disruption.

The push for a Singapore banking licence comes as the Chinese group seeks to boost its footprint in a major hub outside the mainland.

The company has applied for one of the three wholesale bank licences on offer, the people said, so it would be limited to serving corporate clients, including small and medium-sized businesses.

Critics have questioned the ability of the tech challengers to make inroads into Singapore, given that it is a small, well-banked market, home to some of the most digitally savvy incumbent lenders in the world. But people close to the talks said the wholesale applicants could potentially make the bank a more official hub for transactions involving other parts of the business, for instance for those selling products on TikTok.

Additional reporting by Stefania Palma in Singapore

Energy

Poulsen resigns after transforming Orsted

MYLES MCCORMICK AND ANJLI RAVAL
LONDON

The chief executive of Orsted has resigned after an eight-year stint in which he transformed the Danish utility into the world's biggest offshore wind developer.

Henrik Poulsen will leave the company by January, the company said yesterday. A search for a replacement has begun.

"It's been an incredible ride over the past eight years, and I have a tremendous amount of affection for Orsted, its vision and not least its people," Mr Poulsen said.

"We've transformed a Danish utility predominantly based on fossil fuels into a global leader in green energy, which was ranked as the world's most sustainable company earlier this year."

Mr Poulsen joined the then Dong Energy in 2012. Under him, the group listed in 2016, rebranded as Orsted and became the first fossil fuel producer to largely ditch its traditional business, betting on the rise of renewables.

Orsted has benefited from an increasing climate consciousness among investors, which has helped push up its share price sharply.

The company's stock has risen more than 70 per cent since the beginning of last year, brushing off a dip in valuation inflicted by the pandemic and giving it a market capitalisation of roughly $48bn.

Mr Poulsen told the Financial Times in February that he wanted Orsted, which is responsible for installing a third of all offshore wind turbines, to become the world's first "green energy supermajor". The group plans to double its wind capacity in the next five years to 20GW.

He will be nominated for a seat on the Orsted board next year but said he had not made any further plans.

"I'll find other challenges where I can make a contribution. Time will show where, when and what type of role," Mr Poulsen said.

Technology

Older devices help Dialog weather crisis

JOE MILLER — FRANKFURT

A surge in demand for notebooks, tablets, laptops and headphones during the coronavirus crisis is helping Anglo-German semiconductor specialist Dialog make up for the effects of the pandemic on its core smartphone components business.

Chief executive Jalal Bagherli said the Apple supplier, which was hit by the shutdown of its largest customer's production plants in China, was experiencing a huge increase in demand for devices used for working and teaching at home.

"Some older technologies are seeing a short-term demand surge that may continue through into Q3," Mr Bagherli told the Financial Times, adding that they included low-cost tablets for the education and entertainment of children unable to attend school.

"While consumers may not be rushing to buy their top-of-the-range smart TV to watch the summer Olympics, instead the work-from-home environment means households going from one device to two, two devices to three, and so on," he said.

The Frankfurt-listed manufacturer, which counts Samsung, Xiaomi and Panasonic among its clients, focuses primarily on cutting-edge tech for portable devices, rather than less sophisticated notebook chips.

Although there was some pent-up demand in the PC notebook market due to a shortage in Intel chips last year, the coronavirus-induced surge has led to a backlog at Dialog, Mr Bagherli explained, as the parts take 16-18 weeks to make.

The former Sony executive, who has led Dialog for 15 years, also revealed that the margins for older products were sometimes even higher than its most popular, state-of-the-art components, although he did not expect the rush for notebook and tablet chips to affect the company's overall profitability.

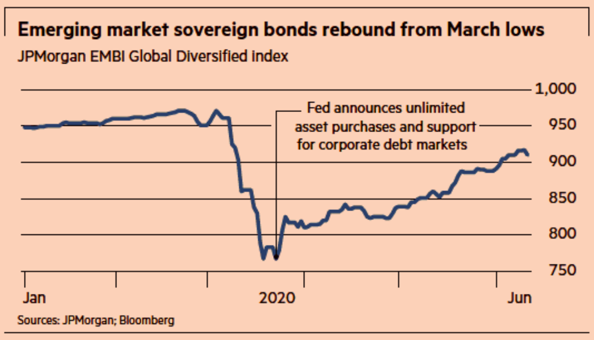
Fixed income. Virus relief

Debt investors bet on EM as stimulus travels across globe

Asset manager LGIM has lifted its investments in dollar-denominated sovereign bonds issued by India
Amit Dave/Reuters

Fed's QE and copycat moves by other central banks help to buttress Covid-19 recoveries

COLBY SMITH — NEW YORK



Emerging market sovereign bonds rebound from March lows

JPMorgan EMBI Global Diversified index

Sources: JPMorgan; Bloomberg

Emerging market debt investors are betting the rally that has lifted sovereign bonds from their March lows will gain pace, as stimulus efforts from the US Federal Reserve and others spill across borders and as local policymakers launch copycat measures.

More than a dozen central banks across emerging markets have bought local currency government bonds or other assets as part of special programmes to fight the effects of Covid-19, including Indonesia, Poland and the Philippines. Countries on shakier financial footings, such as South Africa and Turkey, have also done so.

Alejo Czerwonko, a strategist at UBS Global Wealth Management, said such purchases differed slightly from the "quantitative easing" programmes used after the global financial crisis. This was because in many of the participating countries, interest rates were not yet at zero and the relatively small operations lacked fixed targets for purchases.

But he said the policy, if used prudently, could help to buttress the countries' recoveries by "safeguard[ing] the functioning of domestic bond markets".

QE-like efforts around the world have "supported the market and . . . reduced financing costs", said Paul Greer, an emerging market portfolio manager at Fidelity International.

Sovereign bonds in the benchmark JPMorgan EMBI Global Diversified index have risen nearly 20 per cent in value since March 23 while the extra yield demanded by investors to hold the debt versus US Treasuries has narrowed more than 30 per cent from the worst of the sell-off.

Emerging and developing economies have also been able to access international capital markets in droves since April, raising more than $83bn, according to data compiled by the Institute of International Finance.

According to Mr Greer, the turning point in late March came after the Fed unleashed "mega QE and essentially put a floor under risk assets", pledging to buy corporate bonds and an unlimited quantity of government debt, among other measures.

Before this show of support, which came alongside extra spending packages by governments around the world, the Fed had slashed rates to zero, opened swap lines with 14 central banks to lower the cost of dollars internationally and set up programmes to ensure companies and households could access credit.

The US central bank has since introduced more emergency facilities and promised to do more if necessary.

"These global liquidity operations don't stay within borders — they spill over into the developing world," said Eric Baurmeister, head of emerging markets fixed income at Morgan Stanley Investment Management.

The March sell-off, coupled with radical action from global policymakers, created what Uday Patnaik, head of emerging market debt at LGIM, said was one of the best opportunities to increase EM exposure that he had seen in his 30 years of experience.

"If you want to do it, it's now," he said he had told clients who had expressed interest in emerging markets before the global pandemic.

Mr Patnaik said the firm significantly increased its investments in dollar-denominated sovereign bonds issued by India, the Philippines and Panama roughly three months ago, and continued to see ample room for additional gains from Egypt and Qatar.

Kevin Daly, a portfolio manager at Aberdeen Asset Management, for his part flagged Nigeria, Ghana and Kenya as offering value.

Many investors appear to be sanguine about the effects of the virus. Capital Economics recently noted that the number of new confirmed infections in India, Saudi Arabia, Egypt, Latin America and sub-Saharan Africa was nearly equivalent to that for the rest of the world combined.

Yet, many of these regions are moving forward with plans to reopen gradually. More Covid-19 cases will ensue but investors said it might be less economically damaging than keeping stringent lockdowns in place.

"Ultimately, every EM country has realised a pause in reopening is prohibitive," said Polina Kurdyavko, head of emerging markets at BlueBay Asset Management.

Beyond the risk of a worsening pandemic, Mr Greer said the current crisis, and the government spending undertaken to combat it, would create a new set of vulnerabilities down the road.

JPMorgan already sees a default rate of 16 per cent over the next 18 months, based on its study of 41 risky emerging market countries, as debt-to-GDP levels for more than one-third of the countries analysed reaches an estimated 80 per cent or higher.

By the end of 2021, the bank expects the default rate for these countries to rise to 34 per cent.

"The whole idea of heavy debt burdens is not going to go away today or tomorrow," said Mr Greer. "It is here to stay."

Still, he said the near-term outlook for emerging markets was "positive", buoyed in part by central banks globally now snapping up assets.

> 'The whole idea of heavy debt burdens is not going to go away today or tomorrow'

Fixed income

Bond issuance binge by US groups nears total for 2019

JOE RENNISON

Top-rated US companies have issued almost as much debt this year as they did in the whole of 2019, building large cash reserves to ride out the coronavirus pandemic and taking advantage of cheap borrowing costs in a market boosted by central bank assistance.

The total raised by investment grade companies such as Boeing and Coca-Cola over the past five-and-a-half months is just $27bn shy of 2019's full-year total of $1.15tn, according to data from Refinitiv. Analysts and investors expect issuance this week will tip 2020 beyond last year's tally.

That puts this year well on course to surpass 2017's record total of $1.37tn after April was the biggest month ever for new bond sales, followed by May and March, according to Refinitiv's data. The surge shows that the rush of bond sales following the depths of the coronavirus crisis was not a blip and marks a shift in investors' willingness to lend money to corporate America after bond markets froze in February.

"It has been remarkable the amount of volume that has come to the market," said Rich Zogheb, head of debt capital markets at Citi. "We keep waiting for investor demand to wane and for us to have a problem but we haven't seen it."

Initially, companies paid relatively high coupons on their debt to lure investors back to the market as they built war chests of cash to withstand the severe hits to revenues stemming from the outbreak of Covid-19.

> 'We keep waiting for demand to wane and for us to have a problem but we haven't seen it'

After the Federal Reserve announced measures at the end of March to support corporate bonds, investor confidence shifted, prices began to rise again, and borrowing costs fell.

Bankers said most investment grade companies were flush with cash but new sales continued as they looked to capitalise on the dramatic decline in yields over the past 10 weeks.

"Rather than companies shoring up balance sheets, now it's about trying to opportunistically lock in historically low borrowing costs," said Meghan Graper, head of the US investment grade syndicate at Barclays.

Amazon, for example, paid just 0.25 percentage points more than the US government to secure cash for three years at the start of this month, paying a coupon of just 0.4 per cent.

The average investment grade bond yield fell to 2.29 per cent last week, fractionally higher than its all-time low of 2.26 per cent in January, according to an index run by Ice Data Services.

However, the pace of new issuance is expected to fade in coming months as many big borrowers have already topped up their coffers. Concerns over an acceleration in new Covid-19 infections, as economies across the globe reopen, have also stalled the rally.

Equities

Shale producer Extraction files for bankruptcy after shares surge 300%

DEREK BROWER AND MYLES MCCORMICK

Extraction Oil & Gas, whose share price soared threefold during a frenzy of buying last week, has declared bankruptcy, making the large US shale producer the latest victim of the worst oil-price crash in decades.

The Denver-based company filed for Chapter 11 protection late on Sunday as a 30-day grace period on a bond interest payment expired, leaving it in default.

Extraction is the second big US shale producer to go bankrupt during a crude price collapse triggered by soaring Saudi supply and the collapse in global energy demand prompted by the pandemic. Whiting Petroleum filed in early April.

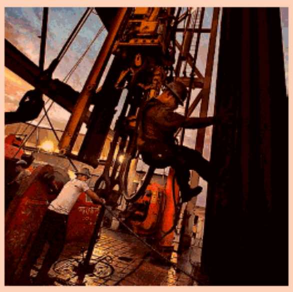
"After months of liability management and careful analysis of our strategic options, we determined that a voluntary Chapter 11 filing with key creditor support provides the best possible outcome for Extraction," said Matt Owens, Extraction's chief executive.

The company's liquidity deteriorated sharply after plummeting oil prices hit cash flows, and short-term lenders reduced the group's credit facility. Extraction warned investors in May that it might not survive as a going concern.

The cuts in capital expenditure the company set out did not reassure analysts, who said this would worsen its liquidity by reducing output.

Extraction produces almost 100,000 barrels a day of oil equivalent from shale wells in Colorado's DJ Basin.

But its expansion efforts, including developing infrastructure for pipelines, and share buybacks left a debt pile of about $1.6bn against assets of $2.7bn in the first quarter.



The crude price slide has sparked a round of US shale sector collapses

The restructuring, which did not receive the backing of all of its creditors, will include a debt-for-equity swap, leaving unsecured noteholders in control of the company.

The group said that it had obtained a commitment of $125m debtor-in-possession financing, made up of $50m in fresh funds and a roll-up of $75m of existing loans.

Extraction was founded in 2012. Its listing in 2016 was the energy's sector's biggest initial public offering following the 2014 oil price crash, but its market capitalisation surpassed $4bn shortly after the IPO. At the end of last week, it was less than $100m.

Last week, retail buyers briefly drove Extraction's share price up by almost 300 per cent.

On Friday, the Financial Times reported that the company's bankruptcy was imminent.

The oil crash had triggered 18 shale patch bankruptcies by the end of May, according to law firm Haynes & Boone. Seven came last month.

Commodities

Metals authority probes Perth Mint over artisanal gold sourcing claims

NEIL HUME
NATURAL RESOURCES EDITOR

The body that oversees London's $5tn gold market is investigating allegations that the Perth Mint, one of the industry's biggest refiners, processed tainted metal from small-scale miners in Papua New Guinea.

The London Bullion Market Association said it had launched a review after claims in the Australian media that the Perth Mint had bought material from artisanal miners in PNG, which have a reputation for employing children and using mercury to mine gold.

"As the global authority for precious metals, LBMA maintains the highest standards for responsible sourcing," it said in a statement. "We therefore take very seriously the recent allegations relating to the Perth Mint and its sourcing from Papua New Guinea."

If the Perth Mint, which is owned by the government of Western Australia, is found to have violated the LBMA's guidelines on responsible sourcing it could be stripped of its accreditation and in effect shut out of London's bullion market.

Only gold and silver bars that meet the LBMA's "Good Delivery" standards can be used to settle contracts in London.

The Australian Financial Review claimed last week that the Perth Mint was buying as much as $200m of "conflict" gold annually from Golden Valley, a PNG-based company.

The AFR claimed yesterday that the Mint had repeatedly ignored concerns raised by staff about purchases from the company and its sourcing from artisanal miners in PNG.

> 'We take very seriously the allegations relating to the Mint and its sourcing from Papua New Guinea'

Golden Valley, which describes itself as a "fast-growing, low cost" gold producer, could not immediately be reached for comment.

However, its managing director was quoted by AFR as acknowledging that mercury was often used by its suppliers and that in PNG children were involved in mining with their families. The incident comes as consumers of precious metals, as well as the banks that trade gold, demand to know where their metal comes from and to ensure it is ethically sourced.

The Perth Mint is one of the world's biggest gold refiners and one of the few companies accredited by all five of the big gold markets, including New York, Shanghai, Dubai and Tokyo.

It said it welcomed the LBMA investigation and had begun a review into the environmental, social and governance practices of its customers.

The review is being overseen by its chairman Sam Walsh, the former chief executive of global miner Rio Tinto.

"The Perth Mint is confident in its adherence to the highest ethical standards and spearheads the sector in improving transparency and compliance in the supply chain," it said.

Refiners on the LBMA's good delivery list have to ensure that their gold comes from sources that are free of conflict and are not connected to money laundering, terrorist financing or human rights abuses such as child labour, and do not degrade the environment.

The day in the markets

What you need to know

- **Indian stocks slide after southern states reimposed lockdowns**
- **Investor jitters send Wall Street volatility to highest level since April**
- **Late rally for Brent crude fails to push benchmark above $40**

An uptick in Covid-19 cases weighed on stock markets yesterday with investors appearing to lower their expectations on the level of business activity likely to occur in the wake of the pandemic.

Indian stocks slid 1.6 per cent yesterday following news that the southern state of Tamil Nadu was reimposing a total lockdown in the city of Chennai and four neighbouring districts as authorities tried to clamp down on a pick-up of coronavirus cases.

Meanwhile, Beijing was forced during the weekend to lock down residential compounds and close a large fresh seafood and vegetable market in response to a fresh outbreak.

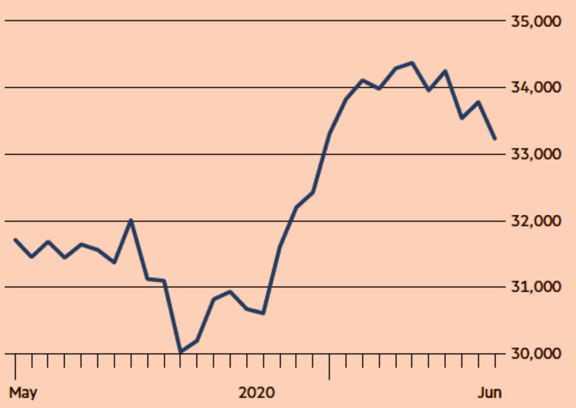
The news from China did not bode well for other countries unwinding their restrictions, said Rabobank.

"Given China's success in virus containment and the fact that its Covid-fighting policies are arguably less constrained by concern over infringement of individual liberties, the gradual nature of its recovery and the fact that it continues to struggle to put out contagion 'wildfires' offers a very poor precedent for the west where lockdown restrictions are being rolled back," it said.

The CSI 300 index of Shanghai- and Shenzhen-listed equities fell 1.2 per cent while Hong Kong's Hang Seng lost 2.2 per cent and Tokyo's Topix slid 2.5 per cent.

Indian stocks slide following upsurge in coronavirus cases

BSE Sensex index



Source: Refinitiv

The reports from India and China come after a Wall Street rally was punctured last week by news of a rise in coronavirus cases in some US states. The S&P 500 tumbled 6 per cent on Thursday to end the week down 5 per cent.

"Markets are being overly sensitive and volatile on successive waves of good and bad news," said Bill Blain, strategist at Shard Capital, a scenario that has led the Cboe Vix index — a measure of volatility for the S&P 500 — to jump to 44 points yesterday, its highest level since April.

Wall Street's large-cap index was 0.2 per cent lower at midday in New York.

The EU said exports from the eurozone fell almost 30 per cent in April while imports into the bloc shrank almost a quarter.

The continent-wide Stoxx Europe 600 index fell 0.3 per cent. Its energy sector tracked a recent fall in oil prices that has led global benchmark Brent crude to dip back beneath $40 a barrel.

Brent had a late-session rally yesterday, climbing 1.2 per cent to $39.21 a barrel.

Haven assets were little changed yesterday with the yield on the 10-year US Treasury hovering around 0.69 per cent. **Ray Douglas**

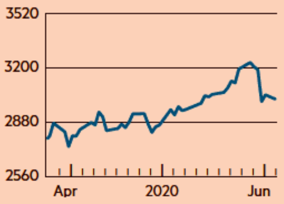
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	3016.90	1377.31	21530.95	6064.70	2890.03	91387.28
% change on day	-0.80	-0.30	-3.47	-0.66	-1.02	-1.52
Currency	**$ Index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	97.144	1.127	107.405	1.257	7.094	5.216
% change on day	-0.180	0.178	0.070	0.239	0.287	2.989
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	0.680	-0.446	0.002	0.202	2.751	6.600
Basis point change on day	-2.050	-0.400	-1.010	-0.500	-1.000	14.600
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	338.86	39.21	36.44	1733.50	17.63	2605.90
% change on day	-0.64	0.54	-0.25	-0.27	-1.40	-0.06

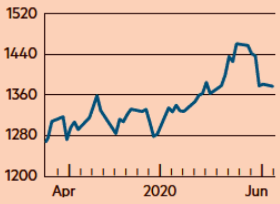
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

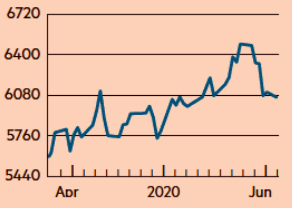
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Viacomcbs	7.03	Ucb	14.97	Bunzl	9.82
	Dexcom	5.74	Exor	3.77	M&g	4.75
	Oneok	4.02	Hugo Boss	3.19	Ashtead	2.37
	Electronic Arts	3.75	Snam	2.34	Hikma Pharmaceuticals	2.34
	Fortinet	3.31	Safran	2.29	Meggitt	2.28
Downs	Carnival	-6.56	Ses	-6.30	Fresnillo	-5.87
	Alliance Data Systems	-6.32	Norsk Hydro	-3.97	Barratt Developments	-5.06
	Norwegian Cruise Line Holdings Ltd	-5.88	Seadrill	-3.91	Easyjet	-4.65
	Coty	-5.75	Cnp Assurances	-3.55	Int Consolidated Airlines S.a.	-3.92
	United Airlines Holdings	-5.19	Dnb	-3.49	Taylor Wimpey	-3.76

Prices taken at 17:00 GMT

Based on the constituents of the FTSE Eurofirst 300 Eurozone

All data provided by Morningstar unless otherwise noted.

Wall Street

Carnival, **United Airlines** and retailers such as **Coty** were the sharpest S&P 500 fallers in response to a rise in the reported coronavirus case count in China and some US states.

Sunnova Energy climbed with Credit Suisse turning positive on the residential solar battery specialist to reflect the benefit of lower interest rates on its leasing and loans business.

Solar panel manufacturer **JinkoSolar** dropped as weak margins meant its quarterly results missed forecasts.

The China-based group left full-year guidance unchanged but cautioned that Covid-19 would lead to a significant drop in global demand and price deflation.

Moderna climbed on reports that Israel's Health Ministry was in talks to secure supplies of the company's experimental coronavirus vaccine.

Edesa Biotech more than doubled after the drug developer said Canadian regulators had given approval to begin late-stage clinical trials of its potential Covid-19 treatment.

Twilio gained after Piper Sandler called the messaging software maker "one of the best positioned digital beneficiaries for the next decade".

Recent adoption in numerous sectors should be strong enough to offset travel industry headwinds, the broker said. *Bryce Elder*

Eurozone

Valeo rose after Bank of America upgraded the car parts maker to "buy" from "underperform".

Consensus forecasts have reached trough levels, allowing investors to focus on the long term, said BofA, and Valeo's portfolio of electrification parts should lead to outperformance versus peers.

The broker argued that sector-leading environmental, social and governance credentials would be a benefit to Valeo.

Umicore rallied after the materials group said in a trading update that profits from its precious metals recycling division had exceeded expectations.

Higher platinum group metal prices, in particular rhodium, helped counter continued weaker trading at Umicore's auto catalyst and battery chemicals development divisions — meaning analysts were hiking full-year profit targets by about 8 per cent.

ISS of Denmark jumped after Goldman Sachs added the facilities services group to its "buy" list.

It cited higher demand for cleaning services as a result of the Covid-19 risk alongside lower wage costs.

Société Générale and **BNP Paribas** slipped after Barclays analysts said the market had underestimated the banks' consumer credit exposures, where nearer term impairments could put a dent in next year's earnings. *Bryce Elder*

London

TalkTalk was under pressure after Redburn analysts said the broadband provider was flattering profit "materially" by deferring customer costs.

Repeating "sell" advice, Redburn argued that a large and growing deferral of contract costs, amounting to £383m on TalkTalk's balance sheet at the end of March, was a red flag for a business that was either stable or in decline.

The broker also speculated that TalkTalk might merge with Three, the UK mobile operator owned by CK Hutchison, by reversing into the London share listing at an inflated valuation.

Bunzl led the FTSE 100 gainers after a reassuring trading update for the food service and retail packaging maker.

BP was sharpest faller among energy stocks on fears of a dividend cut after it flagged that lower longer-term oil price assumptions would result in a non-cash writedown of up to $17.5bn,

Diageo slipped after Credit Suisse advised clients to switch into Heineken.

Lager sales have been outperforming spirits in most big markets excluding the US with premium beer establishing itself as "a more credible alternative" to scotch in emerging markets, the broker said.

A weaker dollar should also benefit beer sales, which have proven to be less reliant than spirits on the travel and hospitality industries, it said. *Bryce Elder*

Covid-19 crisis highlights euro's untapped potential

Fabio Panetta

Markets Insight

For eurozone leaders, the Covid-19 crisis has provided fresh impetus to the argument that the single currency deserves a greater international role.

Policymakers look at the US as a benchmark. The dollar's global status has made it easier for America to counter the economic shock caused by the virus. The US has benefited from what has been called the dollar's "exorbitant privilege".

That benefit accrues through seigniorage — the profits made from issuing currency, after the costs of production — and the ability to tap capital markets to fund a large increase in spending at low cost, despite a substantial build-up of sovereign debt.

The dollar's predominant role in global trade has helped shield the US economy from the exchange rate appreciation that haven status usually brings. And American companies have enjoyed the stability that comes from being able to conduct international transactions in their own currency.

As the world's second currency, the euro should provide advantages that are comparable with the dollar's. European Central Bank data indicate that the euro's share in international currency use stands at about 19 per cent. That is much lower than the dollar's share, at about one-half, but well ahead of any other currency.

But the euro's global potential has not been fully reached and its benefits are shared unevenly among its members.

International use of the currency has stalled over the past decade and not all eurozone countries have profited from the "privilege" of lower borrowing costs in global capital markets, especially in times of heightened risk aversion.

Why? The key ingredients for achieving the status of an international currency are broad and deep financial markets; well-anchored expectations of price stability and economic resilience; a strong fiscal position; and the willingness to ensure liquidity in times of stress. The euro area, however, is characterised by market segmentation and a limited supply of what are perceived to be safe assets.

As a result, when shocks occur, their impact is felt asymmetrically. The distribution of any benefits from the euro's international role is skewed towards the few countries issuing what investors perceive to be safe assets. In this way, such crises serve as an acid test of global currency status — currencies that fail to provide safety and liquidity fall behind.

> The euro's international role will grow only if we can share its privilege better

The euro's international role will grow only if we can share its privilege better. Two policy responses are necessary.

The first is for Europe to provide common instruments that generate safe assets for all member states in times of crisis, thereby ensuring that necessary fiscal reactions do not cause further instability and fragmentation.

The recently proposed €750bn recovery fund is an excellent example. It will provide a forceful European fiscal response to the Covid-19 crisis, building confidence among investors that the euro can be depended on during major shocks.

At the same time, the bond issuance needed for this recovery fund will allow global investors to get exposure to the euro area without exacerbating divergence among national issuers.

The second response involves monetary policy. It is clear that investors' trust in the US Federal Reserve anchors the dollar's global role.

A central bank backing a global currency must be relied on to safeguard liquidity conditions in the financial system and avoid procyclical tightening during crises — where rising borrowing costs make financial conditions worse.

These were key motivations for the ECB's pandemic emergency purchase programme, which we scaled up to €1.35tn last week and extended until at least June 2021. These actions were dictated by the ECB's mandate, which obliges it to intervene as necessary to achieve its price stability objective. They confirm that we remain guided by the principle of central bank independence and the primacy of EU law.

Managing a global currency also requires providing liquidity to foreign central banks through swap and repo lines in times of stress. The ECB has already reactivated a number of these since the pandemic began, and we will go further if warranted.

The goals of boosting the euro's global standing and sharing its advantages more evenly are one and the same.

Through the right mix of fiscal and monetary policy, we can build a better functioning, more stable monetary union, which in turn could increase the euro's influence and the benefits that accrue to eurozone members.

Fabio Panetta is a member of the European Central Bank's executive board

MARKET DATA

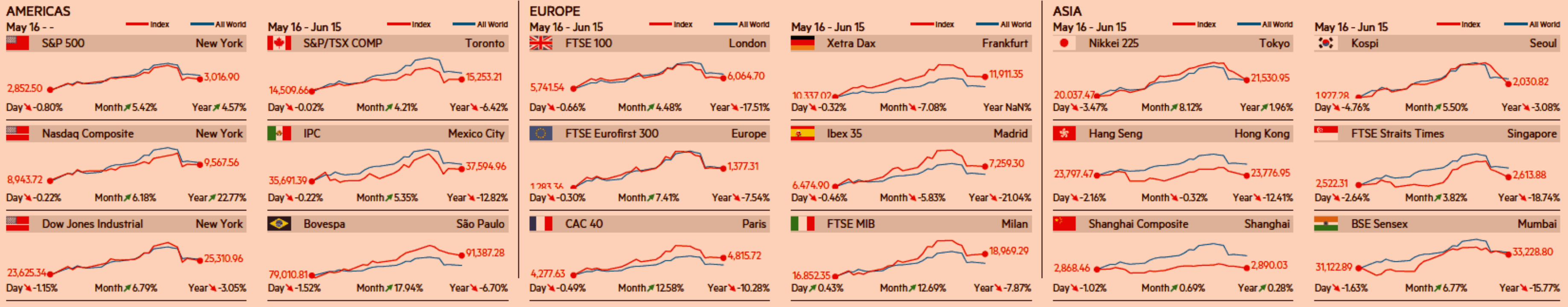
WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
-0.80%	-0.22%	-1.15%	-0.66%	-0.30%	-3.47%	-2.16%	-0.64%	0.178%	0.239%	0.070%	No change	-3.70%	-0.27%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison



Country	Index	Latest	Previous
Argentina	Merval	43417.15	43057.94
Australia	All Ordinaries	5830.00	5959.90
	S&P/ASX 200	5719.80	5847.80
	S&P/ASX 200 Res	4305.50	4413.30
Austria	ATX	2284.06	2307.56
Belgium	BEL 20	3339.35	3296.63
	BEL Mid	7515.36	7564.78
Brazil	IBovespa	91387.28	92795.27
Canada	S&P/TSX 60	919.64	920.06
	S&P/TSX Comp	15253.21	15256.57
	S&P/TSX Div Met & Min	398.08	453.27
Chile	S&P/CLX IGPA Gen	19674.88	18465.50
China	FTSE A200	10411.18	10562.05
	FTSE B35	9000.71	8988.96
	Shanghai A	3029.24	3060.43
	Shanghai B	207.00	207.44
	Shanghai Comp	2890.03	2919.74
	Shenzhen A	1952.00	1957.62
	Shenzhen B	856.95	858.06
Colombia	COLCAP	1143.13	1121.55
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	923.20	930.94
Denmark	OMXC Copenahgen 20	1220.59	1224.69
Egypt	EGX 30	10731.17	10831.92
Estonia	OMX Tallinn	1168.41	1177.41
Finland	OMX Helsinki General	9120.70	9164.88
France	CAC 40	4815.72	4839.26
	SBF 120	3799.89	3814.36
Germany	M-DAX	25434.54	25477.06
	TecDAX	3080.12	3069.17
	XETRA Dax	11911.35	11949.28
Greece	Athens Gen	647.98	646.80
	FTSE/ASE 20	1568.01	1570.31
Hong Kong	Hang Seng	23776.95	24301.38
	HS China Enterprise	9655.83	9832.53
	HSCC Red Chip	3704.56	3794.04
Hungary	Bux	37340.84	37403.57
India	BSE Sensex	33228.80	33780.89
	Nifty 500	8086.45	8196.40
Indonesia	Jakarta Comp	4816.34	4880.36
Ireland	ISEQ Overall	5908.71	5885.35
Israel	Tel Aviv 125	1409.24	1439.33
Italy	FTSE Italia All-Share	20703.25	20623.42
	FTSE Italia Mid Cap	32540.38	32534.83
	FTSE MIB	18969.29	18888.16
Japan	2nd Section	6246.35	6411.18
	Nikkei 225	21530.95	22305.48
	S&P Topix 150	1270.62	1305.01
	Topix	1530.78	1570.68
Jordan	Amman SE	1644.16	1648.69
Kenya	NSE 20	2011.77	1995.03
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1047.41	1029.55
Lithuania	OMX Vilnius	728.54	727.72
Luxembourg	LuxX	993.70	1020.04
Malaysia	FTSE Bursa KLCI	1498.83	1546.02
Mexico	IPC	37594.96	37679.24
Morocco	MASI	9927.06	9996.29
Netherlands	AEX	541.92	545.15
	AEX All Share	773.17	778.50
New Zealand	NZX 50	10864.12	10905.94
Nigeria	SE All Share	25182.67	25215.04
Norway	Oslo All Share	879.41	897.72
Pakistan	KSE 100	33824.51	34611.23
Philippines	Manila Comp	6163.82	6476.24
Poland	Wig	49085.61	50169.11
Portugal	PSI 20	4326.78	4359.98
	PSI General	3076.52	3103.78
Romania	BET Index	8532.77	8731.99
Russia	Micex Index	2704.36	2743.80
	RTX	1213.78	1238.11
Saudi-Arabia	TADAWUL All Share Index	7292.54	7309.80
Singapore	FTSE Straits Times	2613.88	2684.63
Slovakia	SAX	359.84	359.84
Slovenia	SBI TOP	873.85	-
South Africa	FTSE/JSE All Share	52270.20	53639.64
	FTSE/JSE Res 20	47848.10	49390.31
	FTSE/JSE Top 40	47919.52	49247.69
South Korea	Kospi	2030.82	2132.30
	Kospi 200	267.95	281.78
Spain	IBEX 35	7259.30	7292.70
Sri Lanka	CSE All Share	4910.83	4914.83
Sweden	OMX Stockholm 30	1616.14	1609.07
	OMX Stockholm AS	628.34	624.92
Switzerland	SMI Index	9842.56	9796.37
Taiwan	Weighted Pr	11306.26	11429.94
Thailand	Bangkok SET	1341.99	1382.56
Turkey	BIST 100	109555.95	109835.47
UAE	Abu Dhabi General Index	4276.39	4294.87
UK	FT 30	2286.10	2303.50
	FTSE 100	6064.70	6105.18
	FTSE 4Good UK	5611.63	5638.74
	FTSE All Share	3362.12	3379.82
	FTSE techMARK 100	5251.29	5230.93
USA	DJ Composite	8203.05	8280.24
	DJ Industrial	25310.96	25605.54
	DJ Transport	8995.13	9081.90
	DJ Utilities	791.61	793.00
	Nasdaq 100	9625.58	9663.78
	Nasdaq Cmp	9567.56	9588.81
	NYSE Comp	11748.54	11867.17
	S&P 500	3016.90	3041.31
	Wilshire 5000	30765.86	30947.19
Venezuela	IBC	330454.56	328490.09
Vietnam	VNI	832.47	863.52
Cross-Border	DJ Global Titans ($)	356.26	359.00
	Euro Stoxx 50 (Eur)	3139.61	3153.74
	Euronext 100 ID	948.84	953.39
	FTSE 4Good Global ($)	7579.69	7608.43
	FTSE All World ($)	338.86	341.05
	FTSE E300	1377.31	1381.50
	FTSE Eurotop 100	2645.20	2657.80
	FTSE Global 100 ($)	1975.67	1983.11
	FTSE Gold Min ($)	2206.41	2245.52
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2137.68	2130.60
	FTSE World ($)	603.05	606.67
	FTSEurofirst 100 (Eur)	3589.08	3612.98
	FTSEurofirst 80 (Eur)	4294.58	4317.59
	MSCI ACWI Fr ($)	516.57	514.89
	MSCI All World ($)	2164.46	2154.44
	MSCI Europe (Eur)	1442.31	1438.91
	MSCI Pacific ($)	2564.57	2607.74
	S&P Euro (Eur)	1434.95	1439.86
	S&P Europe 350 (Eur)	1412.57	1416.88
	S&P Global 1200 ($)	2380.72	2404.05
	Stoxx 50 (Eur)	2924.09	2933.20

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Boeing	58.8	184.32	-5.19
Apple	42.9	337.58	-1.22
Amazon.com	36.4	2529.78	-15.24
Microsoft	20.6	187.20	-0.54
United Airlines Holdings	15.7	37.60	-2.06
Advanced Micro Devices	13.4	53.14	-0.36
Facebook	13.1	228.67	0.09
Nvidia	12.4	358.23	0.93
Delta Air Lines	8.6	29.49	-0.94
American Airlines	7.8	15.95	-0.80

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Viacomcbs	24.51	1.61	7.03
Dexcom	391.48	21.25	5.74
Oneok	35.46	1.37	4.02
Electronic Arts	126.54	4.57	3.75
Fortinet	134.65	4.31	3.31
Downs			
Carnival	18.67	-1.31	-6.56
Alliance Data Systems	48.80	-3.29	-6.32
Norwegian Cruise Line Holdings Ltd	19.30	-1.21	-5.88
Coty	4.59	-0.28	-5.75
United Airlines Holdings	37.60	-2.06	-5.19

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Astrazeneca	140.1	8281.00	80.00
Bp	135.1	316.00	-7.05
Hsbc Holdings	107.6	376.20	-4.15
Rio Tinto	99.7	4480.50	-115.50
Glaxosmithkline	83.4	1600.80	1.60
Bhp	83.1	1613.00	-54.40
Unilever	77.1	4290.00	-14.00
Royal Dutch Shell	67.6	1290.80	-15.00
Reckitt Benckiser	67.4	6950.00	42.00
Diageo	63.2	2725.00	-55.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Bunzl	2069.00	185.00	9.82
Helios Towers	175.00	15.00	9.38
Drax	227.00	14.60	6.87
Just	59.75	3.20	5.66
M&g	158.70	7.20	4.75
Downs			
Talktalk Telecom	87.05	-6.95	-7.39
Fresnillo	747.60	-46.60	-5.87
Barratt Developments	499.20	-26.60	-5.06
Forterra	205.00	-10.00	-4.65
Easyjet	767.60	-37.40	-4.65

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Sap Se O.n.	322.5	114.36	-0.94
Allianz Se Na O.n.	314.8	176.92	-1.16
Total	281.4	34.69	-0.41
Asml Holding	267.7	303.65	-2.35
Sanofi	262.1	89.19	0.17
Basf Se Na O.n.	253.6	51.01	-0.11
Royal Dutch Shella	252.3	15.08	-0.15
Airbus	249.9	68.00	1.05
Ing Groep N.v.	245.5	6.28	-0.10
Intesa Sanpaolo	224.9	1.63	0.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Ucb	100.85	13.13	14.97
Exor	50.40	1.83	3.77
Hugo Boss Ag Na O.n.	28.15	0.87	3.19
Kinnevik Ab Ser. B	21.96	0.52	2.43
Snam	4.43	0.10	2.34
Downs			
Ses	6.37	-0.43	-6.30
Norsk Hydro	2.39	-0.10	-3.97
Seadrill	0.52	-0.02	-3.91
Cnp Assurances	10.59	-0.39	-3.55
Dnb	12.01	-0.43	-3.49

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Softbank .	1186.9	4905.00	-166.00
Fast Retailing Co.,	726.9	60800.00	-3200.00
Sony	480.0	7317.00	-87.00
Tokyo Electron	338.2	21880.00	-1285.00
Recruit Hldgs Co Ltd	301.6	3538.00	-275.00
Toyota Motor	288.4	6700.00	-153.00
Mitsubishi Ufj Fin,.	262.7	429.10	-10.40
Sumitomo Mitsui Fin,.	212.5	3105.00	-46.00
Fanuc	187.9	18855.00	-1045.00
Advantest	182.9	5480.00	-410.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Idemitsu Kosan Co.,	2370.00	45.00	1.94
Ntt Docomo,.	2895.00	23.50	0.82
Shionogi & Co.,	6535.00	32.00	0.49
Kirin Holdings ,	2242.00	6.00	0.27
Astellas Pharma .	1741.50	4.00	0.23
Downs			
Mitsui Eng & Shipbuilding Co.,	509.00	-56.00	-9.91
Recruit Hldgs Co Ltd	3538.00	-275.00	-7.21
Suzuki Motor	3581.00	-278.00	-7.20
Dainippon Screen Mfg.co.,	4780.00	-360.00	-7.00
Ihi	1535.00	-115.00	-6.97

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Jun 15 price(p)	%Chg week	%Chg ytd
Winners			
Pearson	572.20	6.4	-12.0
Bunzl	2069.00	3.7	-1.1
Hikma Pharmaceuticals	2359.00	3.4	18.8
Polymetal Int	1468.50	2.8	23.2
Fresnillo	747.60	2.4	16.1
Reckitt Benckiser	6950.00	1.8	12.1
Astrazeneca	8281.00	1.0	8.1
London Stock Exchange	7968.00	0.7	3.5
Rentokil Initial	486.00	0.6	6.7
Segro	880.00	-0.6	-2.2
Pennon	1107.00	-0.6	7.8
Experian	2736.00	-0.6	7.3
Losers			
Int Consolidated Airlines S.a.	264.70	-20.2	-58.4
Carnival	1259.50	-20.0	-65.5
Rolls-royce Holdings	323.80	-18.7	-52.5
Melrose Industries	115.90	-17.5	-52.2
Meggitt	296.60	-17.0	-54.7
Whitbread	2313.00	-16.6	-45.0
Just Eat Takeaway.com N.v.	7222.00	-16.4	-
Royal Bank Of Scotland	118.25	-15.7	-51.6
Compass	1110.00	-14.6	-41.7
Lloyds Banking	31.53	-14.5	-50.5
Barratt Developments	499.20	-13.8	-33.6
Land Securities	603.00	-13.7	-39.3

FTSE 250	Jun 15 price(p)	%Chg week	%Chg ytd
Winners			
Petropavlovsk	27.70	12.4	118.1
Plus500 Ltd	1267.50	9.3	45.9
Oxford Instruments	1372.00	9.1	-11.3
Lancashire Holdings	786.00	6.2	0.7
Centamin	156.35	5.7	23.4
Hochschild Mining	193.50	4.8	9.7
Games Workshop	7790.00	3.9	28.4
Avast	484.80	3.1	2.1
Airtel Africa	57.50	2.7	-27.0
Primary Health Properties	155.80	2.5	-1.8
Convatec	203.60	2.4	3.1
Foresight Solar Fund	114.00	2.2	-10.2
Losers			
Cineworld	78.94	-20.6	-64.1
Babcock Int	357.40	-20.3	-43.4
Wood (john)	210.90	-18.3	-45.5
Ssp	267.20	-17.7	-59.6
Wh Smith	1155.00	-17.1	-56.0
Onesavings Bank	259.80	-16.1	-41.5
Biffa	208.00	-16.0	-22.8
Vistry	740.00	-15.8	-44.4
Go-ahead	1015.00	-15.7	-54.0
Marston's	63.85	-15.3	-50.7
Travis Perkins	1072.50	-14.6	-34.1
Tui Ag	452.10	-14.5	-54.4

FTSE SmallCap	Jun 15 price(p)	%Chg week	%Chg ytd
Winners			
Cmc Markets	271.00	37.3	83.6
De La Rue	145.60	16.3	5.4
Indivior	72.50	15.6	83.5
Petropavlovsk	27.70	12.4	118.1
Dialight	306.00	11.3	33.0
City Of London Investment	358.00	10.2	-18.8
Robert Walters	395.00	9.9	-29.0
Oxford Instruments	1372.00	9.1	-11.3
Premier Foods	53.00	8.9	39.3
Georgia Healthcare	92.00	8.2	-26.7
Pendragon	10.00	6.8	-22.0
Kier	96.60	5.7	2.0
Losers			
Countrywide	100.00	-32.0	-71.3
Petra Diamonds	2.50	-30.0	-71.7
Connect	11.50	-28.1	-67.7
Lamprell	20.00	-23.1	-50.0
Superdry	136.30	-22.6	-73.1
Saga	20.02	-18.6	-62.9
Brown (n)	32.75	-18.1	-79.5
Stobart Ld	38.50	-18.1	-63.8
Mccoll's Retail	43.90	-17.9	15.5
Menzies(john)	128.40	-17.2	-72.7
Tullow Oil	31.76	-16.8	-46.8
Biffa	208.00	-16.0	-22.8

Industry Sectors	Jun 15 price(p)	%Chg week	%Chg ytd
Winners			
Index - Technology Hardware & Equipment	1881.10	-0.4	-4.0
Pharmaceuticals & Biotech.	17866.45	-0.5	0.2
Nonlife Insurance	2626.67	-1.8	-
Gas Water & Multiutilities	5016.23	-2.6	-7.0
Personal Goods	35790.80	-3.2	-6.1
Food & Drug Retailers	4006.08	-3.2	-4.6
Equity Investment Instruments	10192.48	-3.3	-7.1
Electronic & Electrical Equip.	8360.42	-3.6	-3.2
Support Services	8414.87	-4.1	-
Tobacco	30982.40	-4.1	-
Mining	17145.43	-4.1	-
Health Care Equip.& Services	6763.64	-4.2	-
Losers			
Oil Equipment & Services	4434.61	-18.0	-
Automobiles & Parts	3095.51	-13.1	-
Oil & Gas Producers	4945.32	-12.5	-
Mobile Telecommunications	2833.35	-11.8	-
Travel & Leisure	6469.49	-11.7	-37.6
Banks	2273.20	-11.6	-
General Industrials	5088.20	-10.9	-
Fixed Line Telecommunication	1394.70	-10.0	-
Aerospace & Defense	3455.76	-9.6	-
General Retailers	1977.88	-9.5	-
Life Insurance	6112.79	-9.0	-
Industrial Transportation	1784.96	-8.7	-

Based on last week's performance. †Price at suspension.

CURRENCIES

		DOLLAR		EURO		POUND	
Jun 15	Currency	Closing Mid	Day's Change	Closing Mid	Day's Change	Closing Mid	Day's Change
Argentina	Argentine Peso	69.3135	-0.0572	78.1473	0.1299	87.1024	0.1118
Australia	Australian Dollar	1.4586	-0.0033	1.6445	0.0004	1.8329	-0.0003
Bahrain	Bahrainin Dinar	0.3771	-	0.4251	0.0011	0.4738	0.0010
Bolivia	Bolivian Boliviano	6.9100	-	7.7907	0.0194	8.6834	0.0183
Brazil	Brazilian Real	5.2163	0.1514	5.8811	0.1849	6.5550	0.2037
Canada	Canadian Dollar	1.3623	0.0014	1.5359	0.0053	1.7119	0.0053
Chile	Chilean Peso	800.6050	7.6600	902.6394	10.8583	1006.0759	11.7251
China	Chinese Yuan	7.0945	0.0203	7.9987	0.0427	8.9153	0.0442
Colombia	Colombian Peso	3795.2500	37.4150	4278.9426	52.7142	4769.2813	56.9658
Costa Rica	Costa Rican Colon	575.1250	-2.4300	648.4227	-1.1213	722.7277	-1.5246
Czech Republic	Czech Koruna	23.6640	-0.1523	26.6799	-0.1050	29.7372	-0.1283
Denmark	Danish Krone	6.6136	-0.0155	7.4564	0.0011	8.3109	-0.0019
Egypt	Egyptian Pound	16.1876	0.0330	18.2507	0.0825	20.3421	0.0842
Hong Kong	Hong Kong Dollar	7.7504	0.0003	8.7382	0.0221	9.7395	0.0209
Hungary	Hungarian Forint	308.1024	-0.5493	347.3689	0.2457	387.1751	0.1269
India	Indian Rupee	76.0282	0.1757	85.7177	0.4106	95.5404	0.4215
Indonesia	Indonesian Rupiah	14135.0000	-30.0000	15936.4582	5.8646	17762.6834	-0.1893
Israel	Israeli Shekel	3.4919	0.0159	3.9369	0.0276	4.3880	0.0291
Japan	Japanese Yen	107.4050	0.0750	121.0934	0.3853	134.9699	0.3784
..One Month		107.4049	0.0749	121.0934	0.3854	134.9699	0.3783
..Three Month		107.4048	0.0747	121.0935	0.3855	134.9698	0.3781
..One Year		107.4042	0.0734	121.0936	0.3857	134.9699	0.3776
Kenya	Kenyan Shilling	106.6500	0.2000	120.2422	0.5238	134.0211	0.5331
Kuwait	Kuwaiti Dinar	0.3076	-0.0003	0.3468	0.0005	0.3865	0.0004
Malaysia	Malaysian Ringgit	4.2755	0.0080	4.8204	0.0210	5.3728	0.0214
Mexico	Mexican Peso	22.6148	0.1740	25.4969	0.2591	28.4187	0.2781
New Zealand	New Zealand Dollar	1.5521	-0.0078	1.7499	-0.0044	1.9504	-0.0056
Nigeria	Nigerian Naira	387.9600	-0.0400	437.4042	1.0422	487.5278	0.9769
Norway	Norwegian Krone	9.6018	-0.0532	10.8255	-0.0329	12.0660	-0.0413
Pakistan	Pakistani Rupee	164.9500	0.6500	185.9723	1.1932	207.2835	1.2518
Peru	Peruvian Nuevo Sol	3.4870	0.0235	3.9314	0.0362	4.3819	0.0387
Philippines	Philippine Peso	50.3720	0.1670	56.7917	0.3290	63.2997	0.3428
Poland	Polish Zloty	3.9348	-0.0215	4.4362	-0.0132	4.9446	-0.0166
Romania	Romanian Leu	4.2873	-0.0097	4.8337	0.0012	5.3876	-0.0008
Russia	Russian Ruble	70.2025	0.4950	79.1496	0.7534	88.2196	0.8066
Saudi Arabia	Saudi Riyal	3.7520	-0.0015	4.2302	0.0088	4.7149	0.0081
Singapore	Singapore Dollar	1.3938	0.0010	1.5714	0.0050	1.7515	0.0049
South Africa	South African Rand	17.2663	0.1468	19.4668	0.2134	21.6975	0.2297
South Korea	South Korean Won	1215.9500	12.1500	1370.9188	17.0718	1528.0170	18.4552
Sweden	Swedish Krona	9.3547	-0.0031	10.5470	0.0228	11.7556	0.0209
Switzerland	Swiss Franc	0.9499	-0.0013	1.0710	0.0011	1.1937	0.0008
Taiwan	New Taiwan Dollar	29.7125	0.0495	33.4993	0.1389	37.3381	0.1407
Thailand	Thai Baht	31.1200	0.1425	35.0861	0.2475	39.1068	0.2611
Tunisia	Tunisian Dinar	2.8601	0.0067	3.2246	0.0155	3.5941	0.0160
Turkey	Turkish Lira	6.8480	0.0099	7.7208	0.0304	8.6055	0.0306
United Arab Emirates	UAE Dirham	3.6732	-	4.1413	0.0103	4.6158	0.0097
United Kingdom	Pound Sterling	0.7958	-0.0017	0.8972	0.0003	-	-
..One Month		0.7958	-0.0017	0.8971	0.0003	-	-
..Three Month		0.7958	-0.0017	0.8970	0.0003	-	-
..One Year		0.7960	-0.0017	0.8966	0.0003	-	-
United States	United States Dollar	-	-	1.1274	0.0028	1.2566	0.0026
..One Month		-	-	1.1274	-0.1266	1.2567	0.0026
..Three Month		-	-	1.1272	-0.1266	1.2567	0.0026
..One Year		-	-	1.1265	-0.1265	1.2569	0.0026
Venezuela	Venezuelan Bolivar Fuerte	-	-	-	-	-	-
Vietnam	Vietnamese Dong	23222.5000	15.5000	26182.1914	82.5482	29182.5103	80.9342
European Union	Euro	0.8870	-0.0022	-	-	1.1146	-0.0004
..One Month		0.8869	-0.0022	-	-	1.1145	-0.0004
..Three Month		0.8867	-0.0022	-	-	1.1145	-0.0004
..One Year		0.8860	-0.0022	-	-	1.1140	-0.0004

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

FTSE ACTUARIES SHARE INDICES

UK SERIES
www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Jun 15	Day's chge%	Euro Index	£ Strlg Jun 12	£ Strlg Jun 11	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	6064.70	-0.66	5268.36	6105.18	6076.70	7345.78	4.95	1.44	14.07	107.14	5702.28
FTSE 250 (251)	17089.17	0.07	14845.22	17077.34	16973.67	19118.34	3.74	1.77	15.13	136.88	13408.47
FTSE 250 ex Inv Co (186)	17495.67	0.18	15198.33	17464.01	17325.81	20078.94	4.06	1.39	17.65	111.35	14012.11
FTSE 350 (351)	3400.00	-0.54	2953.55	3418.45	3401.69	4064.11	4.74	1.48	14.24	54.51	6376.17
FTSE 350 ex Investment Trusts (285)	3333.64	-0.56	2895.90	3352.38	3335.20	4018.46	4.86	1.42	14.49	54.13	3225.59
FTSE 350 Higher Yield (107)	2710.93	-1.05	2354.96	2739.75	2718.75	3604.65	7.37	1.26	10.72	60.91	5550.77
FTSE 350 Lower Yield (244)	3873.85	-0.10	3365.18	3877.60	3867.87	4177.30	2.49	2.03	19.81	40.46	4545.39
FTSE SmallCap (262)	4967.66	-0.04	4315.36	4969.74	4962.55	5583.28	4.63	0.98	22.11	58.87	7788.67
FTSE SmallCap ex Inv Co (145)	3892.84	0.18	3381.67	3885.90	3865.55	4570.53	5.67	0.57	30.85	34.03	6403.78
FTSE All-Share (613)	3362.12	-0.52	2920.64	3379.82	3363.63	4010.80	4.74	1.46	14.41	53.41	6369.63
FTSE All-Share ex Inv Co (430)	3268.31	-0.55	2839.16	3286.27	3269.42	3938.03	4.87	1.40	14.62	52.60	3212.15
FTSE All-Share ex Multinationals (539)	1007.80	-0.36	725.60	1011.44	1006.79	1129.21	4.20	1.28	18.65	11.24	1993.50
FTSE Fledgling (93)	8034.62	-0.67	6979.61	8088.44	8132.03	9432.37	4.35	1.57	14.61	107.78	16328.51
FTSE Fledgling ex Inv Co (40)	9449.57	-0.78	8208.76	9524.32	9585.26	11440.94	6.95	1.05	13.64	81.34	18808.28
FTSE All-Small (355)	3437.81	-0.08	2986.39	3440.50	3436.89	3873.04	4.61	1.01	21.47	41.07	6915.58
FTSE All-Small ex Inv Co (185)	2903.65	0.15	2522.38	2899.40	2885.32	3411.37	5.72	0.59	29.63	25.37	6050.67
FTSE AIM All-Share (728)	862.86	-0.48	749.56	866.99	865.61	937.21	1.54	1.39	46.77	3.25	986.53
FTSE Sector Indices											
Oil & Gas (12)	**5120.96**	**-1.50**	**4448.53**	**5199.09**	**5127.86**	**9458.50**	**9.36**	**1.40**	**7.63**	**206.26**	**5628.44**
Oil & Gas Producers (8)	4974.60	-1.54	4321.39	5052.36	4984.54	9175.47	9.32	1.41	7.58	202.92	5667.53
Oil Equipment Services & Distribution (4)	4513.49	1.31	3920.83	4455.01	4298.58	9201.88	12.00	0.54	15.40	6.80	3886.46
Basic Materials (23)	**5645.61**	**-2.41**	**4904.29**	**5784.76**	**5695.93**	**6675.16**	**6.13**	**2.15**	**7.57**	**140.61**	**6663.30**
Chemicals (7)	11664.96	-0.06	10133.25	11672.00	11655.14	14516.73	3.00	2.04	16.34	87.38	11097.50
Forestry & Paper (1)	17682.82	0.42	15360.91	17609.11	17516.98	21208.32	1.75	5.96	9.59	0.00	20922.63
Industrial Metals & Mining (2)	3215.48	-2.07	2793.26	3283.61	3279.34	6955.48	16.87	1.08	5.50	273.09	4119.38
Mining (13)	16408.05	-2.78	14253.53	16876.74	16582.81	19038.58	6.51	2.15	7.15	444.07	10229.90
Industrials (99)	**5003.57**	**0.33**	**4346.56**	**4987.10**	**4978.80**	**5336.48**	**2.73**	**1.45**	**25.29**	**19.30**	**5502.03**
Construction & Materials (14)	6293.89	0.46	5467.45	6264.80	6224.22	5944.57	3.08	0.56	58.08	95.82	7230.70
Aerospace & Defense (9)	3647.36	-0.65	3168.43	3671.07	3703.36	4840.48	3.40	1.04	28.29	2.61	4138.04
General Industrials (7)	4095.12	-0.31	3557.40	4107.70	4029.37	4579.83	3.99	0.93	26.88	0.00	5043.80
Electronic & Electrical Equipment (10)	9792.69	-1.02	8506.82	9893.64	9924.62	9427.74	1.41	2.14	33.15	0.00	9322.29
Industrial Engineering (12)	12322.42	0.55	10704.38	12255.08	12260.65	13817.59	2.67	1.70	22.02	40.37	15953.21
Industrial Transportation (6)	2766.78	-0.17	2403.48	2771.54	2754.76	3370.69	8.78	0.80	14.20	0.00	2798.96
Support Services (41)	8016.05	0.90	6963.48	7944.89	7940.18	8176.22	2.10	2.19	21.68	25.92	8833.13
Consumer Goods (42)	**17983.22**	**-0.90**	**15621.87**	**18146.69**	**18116.19**	**19781.44**	**4.45**	**1.73**	**13.01**	**259.89**	**14918.37**
Automobiles & Parts (2)	3111.37	0.02	2702.82	3110.63	3067.70	6166.63	1.07	6.65	14.11	0.00	3183.61
Beverages (6)	21465.87	-1.75	18647.21	21848.87	21775.47	27133.30	2.64	2.14	17.71	197.15	16223.07
Food Producers (10)	6466.98	-0.01	5617.81	6467.57	6430.57	7567.92	2.78	1.97	18.32	12.36	5934.57
Household Goods & Home Construction (14)	13883.32	-1.02	12060.32	14027.04	13978.72	13505.06	3.53	2.29	12.34	141.01	11048.92
Leisure Goods (2)	19945.82	0.85	17326.76	19777.60	18252.74	13984.01	2.55	1.48	26.58	109.33	20681.07
Personal Goods (6)	30938.52	-0.63	26876.02	31134.28	31240.03	35977.41	3.29	2.69	11.27	447.31	22840.44
Tobacco (2)	30982.45	-0.44	26914.19	31119.36	31157.74	31896.54	7.96	1.11	11.37	785.33	24093.10
Health Care (16)	**12630.98**	**0.60**	**10972.43**	**12555.34**	**12661.39**	**11085.42**	**3.38**	**0.98**	**30.16**	**247.69**	**10847.86**
Health Care Equipment & Services (7)	6815.65	0.62	5920.70	6773.48	6820.60	7725.64	2.01	1.72	28.79	77.97	6239.47
Pharmaceuticals & Biotechnology (9)	17759.85	0.60	15427.83	17653.86	17805.67	15119.92	3.53	0.94	30.31	363.15	13695.10
Consumer Services (85)	**4277.85**	**-0.68**	**3716.13**	**4307.05**	**4276.68**	**5116.35**	**3.64**	**1.56**	**17.60**	**47.28**	**4355.16**
Food & Drug Retailers (5)	4161.52	-1.44	3615.08	4222.46	4251.25	3908.48	3.21	1.20	26.07	78.41	5230.15
General Retailers (27)	1862.72	-0.25	1618.13	1867.47	1846.84	2008.30	3.09	1.92	16.86	2.90	2321.36
Media (17)	7388.08	0.14	6417.96	7378.06	7297.27	8804.73	3.69	1.55	17.50	80.73	4947.33
Travel & Leisure (36)	6367.94	-1.28	5531.77	6450.72	6397.27	9000.09	4.12	1.57	15.48	79.44	6531.85
Telecommunications (6)	**1760.03**	**-1.26**	**1528.92**	**1782.43**	**1777.86**	**2111.60**	**7.72**	**-0.46**	**-28.09**	**41.51**	**2377.38**
Fixed Line Telecommunications (3)	1445.87	-1.62	1256.01	1469.72	1456.74	2499.55	12.34	1.25	6.46	0.00	1580.32
Mobile Telecommunications (3)	2829.07	-1.14	2457.58	2861.56	2860.16	2915.45	6.20	-1.59	-10.18	88.67	3446.96
Utilities (8)	**7047.08**	**0.31**	**6121.73**	**7025.40**	**6922.62**	**6616.05**	**6.11**	**0.41**	**40.26**	**53.87**	**9441.65**
Electricity (3)	7188.35	1.17	6244.46	7105.14	6972.20	6658.74	7.35	-0.36	-38.20	151.05	12682.80
Gas Water & Multiutilities (5)	6629.46	0.07	5758.96	6624.73	6535.24	6248.94	5.77	0.68	25.63	26.05	8782.93
Financials (307)	**3832.44**	**-0.22**	**3329.20**	**3840.72**	**3820.06**	**4820.33**	**4.47**	**1.71**	**13.10**	**44.95**	**3956.06**
Banks (10)	2242.90	-1.11	1948.39	2268.13	2243.21	3730.36	5.87	1.99	8.54	0.02	1847.28
Nonlife Insurance (8)	3006.74	0.44	2611.93	2993.46	2985.07	3742.46	4.71	1.56	13.60	31.79	5830.94
Life Insurance/Assurance (7)	6226.53	0.09	5408.93	6221.07	6177.70	7722.69	5.93	1.74	9.68	154.93	6973.65
Real Estate Investment & Services (17)	2263.06	-0.39	1965.90	2271.93	2265.08	2390.88	2.60	2.90	13.24	12.75	6450.53
Real Estate Investment Trusts (41)	2313.33	0.51	2009.57	2301.49	2250.21	2589.54	4.33	-0.92	-25.17	34.43	3249.03
General Financial (41)	8881.76	0.46	7715.51	8841.34	8894.77	9132.86	3.69	1.17	23.25	173.40	11320.18
Equity Investment Instruments (183)	10284.25	-0.18	8933.84	10303.07	10306.08	10408.43	2.75	3.08	11.78	130.67	6076.08
Non Financials (306)	**4096.18**	**-0.63**	**3558.31**	**4121.99**	**4103.05**	**4796.78**	**4.83**	**1.39**	**14.90**	**70.75**	**6811.64**
Technology (15)	**1884.67**	**0.56**	**1637.19**	**1874.25**	**1875.25**	**2277.32**	**3.63**	**0.80**	**34.51**	**23.53**	**2617.76**
Software & Computer Services (13)	2022.68	0.55	1757.09	2011.56	2017.27	2546.56	3.84	0.73	35.94	25.75	2972.45
Technology Hardware & Equipment (2)	4599.48	0.58	3995.53	4572.86	4463.57	3010.24	1.49	2.76	24.29	43.15	5682.98

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	5980.93	5967.54	6035.17	6044.93	6035.21	6047.73	6040.06	6016.95	6043.98	6075.95	5952.80
FTSE 250	16776.42	16817.16	16949.81	17041.98	16982.46	16940.36	16935.66	16910.83	16998.80	17090.44	16694.78
FTSE SmallCap	4955.11	4929.34	4934.71	4944.38	4943.05	4936.94	4936.84	4932.85	4947.81	4967.66	4927.45
FTSE All-Share	3314.43	3309.21	3343.74	3351.27	3345.00	3349.08	3345.51	3334.33	3349.53	3366.28	3302.40

Time of FTSE 100 Day's high:15:14:15 Day's Low07:17:30 FTSE 100 2010/11 High: 7674.56(17/01/2020) Low: 4993.89(23/03/2020)
Time of FTSE All-Share Day's high:15:15:00 Day's Low07:35:00 FTSE 100 2010/11 High: 4257.93(17/01/2020) Low: 2727.86(23/03/2020)

Further information is available on http://www.ftse.com © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. † Sector P/E ratios greater than 80 are not shown. For changes to FTSE Fledgling Index constituents please refer to www.ftse.com/indexchanges. ‡ Values are negative.

FT 30 INDEX

	Jun 15	Jun 12	Jun 11	Jun 10	Jun 09	Yr Ago	High	Low
FT 30	2286.10	2303.50	2284.90	2411.80	2444.30	0.00	3314.70	1337.80
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 since compilation: 4198.4 high: 19/07/1999; low49.4 18/02/1900Base Date: 1/7/35

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2303.5	2248.1	2273.1	3120.5	2399.1	2395.8	2394.3	2414	2426.7	2439.2	2366.1

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

FX: EFFECTIVE INDICES

	Jun 12	Jun 11	Mnth Ago		Jun 15	Jun 12	Mnth Ago
Australia	-	-	-	Sweden	-	-	-
Canada	-	-	-	Switzerland	-	-	-
Denmark	-	-	-	UK	77.20	77.25	78.03
Japan	-	-	-	USA	-	-	-
New Zealand	-	-	-	Euro	-	-	-
Norway	-	-	-				

Source: Bank of England. New Sterling ERI base Jan 2005 = 100. Other indices base average 1990 = 100. Index rebased 1/2/95. for further information about ERIs see www.bankofengland.co.uk

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Leisure Goods	18.92
Tech Hardware & Eq	5.10
Pharmace & Biotech	-0.24
Health Care	-2.46
Food & Drug Retailer	-3.18
Electronic & Elec Eq	-3.30
Personal Goods	-6.02
Household Goods & Ho	-6.83
Gas Water & Multi	-7.12
Mining	-7.16
Equity Invest Instr	-8.37
Basic Materials	-8.87
Utilities	-9.02
Tobacco	-9.76
Consumer Goods	-9.88
Support Services	-12.87
Beverages	-13.95
Mobile Telecomms	-14.18
Construct & Material	-15.18
Electricity	-15.29
FTSE SmallCap Index	-16.48
Industrials	-16.80
Industrial Eng	-16.88
Technology	-17.19
NON FINANCIALS Index	-17.28
Chemicals	-17.75
Software & Comp Serv	-18.82
Financial Services	-18.88
FTSE 100 Index	-19.06
Forestry & Paper	-19.13
Nonlife Insurance	-19.26
Industrial Metals &	-19.33
FTSE All{HY-}Share Index	-19.46
Health Care Eq & Srv	-19.85
Food Producers	-19.90
Media	-20.55
Telecommunications	-21.59
FTSE 250 Index	-21.96
General Retailers	-22.45
Real Est Invest & Se	-22.64
Real Est Invest & Tr	-23.67
Consumer Services	-24.20
Life Insurance	-24.26
Financials	-25.36
Industrial Transport	-29.54
Aerospace & Defense	-29.60
Travel & Leisure	-36.24
Oil & Gas Producers	-37.59
Oil & Gas	-37.76
Fixed Line Telecomms	-37.83
Banks	-39.29
Automobiles & Parts	-43.42
Oil Equipment & Serv	-48.62

FTSE GLOBAL EQUITY INDEX SERIES

Jun 13 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	8902	578.00	0.3	7.0	-9.2	881.94	-8.2	2.5
FTSE Global All Cap	7079	462.39	0.3	7.3	-0.3	624.68	0.2	2.5
FTSE Global Large Cap	1771	523.86	0.2	6.5	-7.7	823.03	-6.6	2.6
FTSE Global Mid Cap	2185	720.05	0.6	8.6	-13.2	1034.22	-12.4	2.4
FTSE Global Small Cap	4946	744.36	0.9	8.6	-13.9	1028.77	-13.2	2.2
FTSE All-World	3956	341.05	0.3	6.8	-8.6	550.65	-7.6	2.6
FTSE World	2594	606.67	0.3	6.9	-8.7	1315.05	-7.6	2.6
FTSE Global All Cap ex UNITED KINGDOM In	8600	609.41	0.4	7.1	-8.4	913.36	-7.4	2.4
FTSE Global All Cap ex USA	7126	451.73	-1.0	7.7	-12.9	750.59	-11.7	3.3
FTSE Global All Cap ex JAPAN	7550	594.24	0.5	7.1	-9.4	915.34	-8.4	2.5
FTSE Global All Cap ex Eurozone	8251	608.25	0.5	6.6	-8.6	908.99	-7.6	2.4
FTSE Developed	2170	556.00	0.4	6.6	-8.2	855.79	-7.2	2.5
FTSE Developed All Cap	5633	577.76	0.4	6.8	-8.8	876.92	-7.8	2.5
FTSE Developed Large Cap	884	523.28	0.3	6.3	-7.2	819.61	-6.1	2.5
FTSE Developed Europe Large Cap	235	327.22	-0.9	7.3	-14.8	605.98	-13.3	3.9
FTSE Developed Europe Mid Cap	354	529.73	-0.7	7.9	-16.2	857.98	-15.4	3.2
FTSE Dev Europe Small Cap	695	719.95	-0.8	8.6	-19.8	1124.69	-19.0	3.3
FTSE North America Large Cap	253	666.57	1.2	5.5	-4.4	964.42	-3.4	2.0
FTSE North America Mid Cap	409	836.27	1.7	8.7	-11.6	1116.25	-10.9	1.9
FTSE North America Small Cap	1302	826.20	2.1	9.1	-13.4	1065.46	-12.8	1.7
FTSE North America	662	432.83	1.3	6.1	-5.7	639.95	-4.8	2.0
FTSE Developed ex North America	1508	237.58	-1.3	7.7	-12.7	425.80	-11.4	3.4
FTSE Japan Large Cap	181	372.38	-1.6	6.9	-6.1	516.82	-5.0	2.5
FTSE Japan Mid Cap	327	567.56	-2.0	6.2	-9.7	748.30	-8.6	2.3
FTSE Global wi JAPAN Small Cap	844	611.10	-2.4	3.4	-12.2	834.99	-11.0	2.3
FTSE Japan	508	155.70	-1.7	6.8	-6.8	241.98	-5.7	2.5
FTSE Asia Pacific Large Cap ex Japan	921	668.11	-1.0	7.6	-8.1	1139.99	-7.2	3.0
FTSE Asia Pacific Mid Cap ex Japan	848	758.01	-1.1	10.4	-12.5	1241.65	-11.6	3.3
FTSE Asia Pacific Small Cap ex Japan	1814	502.13	-1.3	8.1	-7.5	803.57	-6.7	3.2
FTSE Asia Pacific Ex Japan	1769	520.22	-1.0	7.9	-8.4	942.96	-7.6	3.0
FTSE Emerging All Cap	3269	694.83	-0.4	8.5	-12.1	1125.79	-11.2	3.1
FTSE Emerging Large Cap	887	672.30	-0.4	8.0	-11.3	1096.27	-10.4	3.0
FTSE Emerging Mid Cap	899	793.49	-0.3	12.5	-18.5	1286.28	-17.4	3.8
FTSE Emerging Small Cap	1483	667.52	-0.3	8.3	-11.7	1035.67	-10.9	3.4
FTSE Emerging Europe	75	336.03	-0.1	10.7	-23.6	609.29	-23.0	7.5
FTSE Latin America All Cap	242	652.02	-2.0	25.2	-33.8	1101.03	-33.0	3.8
FTSE Middle East and Africa All Cap	328	549.35	0.0	8.6	-20.4	943.94	-18.4	4.2
FTSE Global wi UNITED KINGDOM All Cap In	302	270.92	-0.3	4.1	-24.2	509.57	-23.1	4.9
FTSE Global wi USA All Cap	1776	740.95	1.4	6.5	-6.1	1035.32	-5.3	1.9
FTSE Europe All Cap	1433	383.30	-0.9	7.6	-15.7	681.93	-14.4	3.8
FTSE Eurozone All Cap	651	369.60	-0.8	11.4	-15.0	655.34	-13.9	3.6
FTSE EDHEC-Risk Efficient All-World	3956	381.25	0.3	7.5	-11.9	568.31	-11.0	2.6
FTSE EDHEC-Risk Efficient Developed Europe	589	291.13	-0.8	7.0	-13.9	481.28	-12.9	3.4
Oil & Gas	150	245.82	0.9	6.5	-32.4	447.54	-30.8	5.9
Oil & Gas Producers	104	237.19	1.0	7.4	-32.8	441.38	-31.1	6.1

Jun 13 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	36	179.07	0.4	0.4	-33.1	293.84	-31.5	5.7
Basic Materials	350	456.94	-0.4	-0.4	-11.1	764.36	-9.7	3.6
Chemicals	159	666.73	0.0	0.0	-11.1	1105.05	-10.0	3.2
Forestry & Paper	20	227.19	-0.4	-0.4	-18.3	427.12	-16.7	3.5
Industrial Metals & Mining	93	297.44	-0.6	-0.6	-21.3	499.64	-20.3	4.3
Mining	78	696.31	-0.8	-0.8	-4.5	1192.12	-2.4	4.2
Industrials	746	397.38	0.3	0.3	-11.5	607.19	-10.6	2.2
Construction & Materials	148	473.97	-0.6	-0.6	-14.5	759.52	-13.6	2.6
Aerospace & Defense	37	642.67	2.5	2.5	-28.2	967.30	-27.7	2.6
General Industrials	64	189.94	0.7	0.7	-16.7	317.73	-15.4	3.0
Electronic & Electrical Equipment	140	470.97	-0.7	-0.7	-7.5	652.58	-6.8	1.8
Industrial Engineering	145	747.63	-0.7	-0.7	-9.8	1137.05	-8.8	2.5
Industrial Transportation	126	683.46	0.7	0.7	-9.8	1049.65	-9.0	2.5
Support Services	86	499.01	0.5	0.5	-1.1	720.87	-0.4	1.4
Consumer Goods	545	465.67	-0.6	-0.6	-8.7	743.37	-7.7	2.8
Automobiles & Parts	132	342.35	-0.7	-0.7	-10.1	533.49	-9.1	3.3
Beverages	67	607.61	0.1	0.1	-14.2	978.19	-13.3	2.7
Food Producers	130	644.18	-0.8	-0.8	-5.5	1052.02	-4.1	2.5
Household Goods & Home Construction	60	470.64	-0.2	-0.2	-7.1	746.55	-6.0	2.6
Leisure Goods	42	252.63	-0.7	-0.7	4.3	346.67	5.1	1.1
Personal Goods	101	823.20	-0.8	-0.8	-8.7	1216.18	-8.1	1.9
Tobacco	13	835.45	-1.0	-1.0	-16.2	2026.61	-14.1	7.2
Health Care	280	599.44	-0.1	-0.1	-1.9	916.71	-0.7	2.0
Health Care Equipment & Services	95	1110.23	0.6	0.6	-5.3	1331.42	-5.0	1.0
Pharmaceuticals & Biotechnology	185	409.59	-0.4	-0.4	-0.2	664.84	1.4	2.5
Consumer Services	452	547.64	0.2	0.2	-1.8	764.01	-1.2	1.4
Food & Drug Retailers	66	265.45	-0.1	-0.1	-10.0	397.62	-8.8	2.7
General Retailers	148	1003.03	-0.1	-0.1	10.8	1346.73	11.3	0.9
Media	88	346.21	0.4	0.4	-9.9	486.01	-9.4	1.6
Travel & Leisure	150	408.85	1.1	1.1	-21.1	582.96	-20.4	2.3
Telecommunication	94	142.43	-0.3	-0.3	-11.2	303.27	-9.4	4.8
Fixed Line Telecommuniations	41	114.29	0.2	0.2	-15.6	272.38	-13.6	5.7
Mobile Telecommunications	53	158.58	-0.8	-0.8	-4.9	296.38	-3.5	3.8
Utilities	190	287.55	-0.4	-0.4	-9.5	620.15	-8.0	3.7
Electricity	133	322.37	-0.4	-0.4	-9.5	685.60	-7.9	3.6
Gas Water & Multiutilities	57	290.04	-0.3	-0.3	-9.7	645.26	-8.3	3.9
Financials	860	210.18	0.9	0.9	-20.6	376.24	-19.4	3.8
Banks	280	152.96	0.6	0.6	-28.4	299.30	-27.3	5.4
Nonlife Insurance	73	246.97	0.6	0.6	-20.0	385.06	-18.6	2.6
Life Insurance	58	185.26	0.3	0.3	-23.2	326.53	-21.7	4.2
Financial Services	210	336.67	1.3	1.3	-9.1	490.44	-8.2	1.9
Technology	289	388.86	0.7	0.7	8.1	496.22	8.7	1.2
Software & Computer Services	149	675.08	0.9	0.9	11.1	806.26	11.4	0.7
Technology Hardware & Equipment	140	291.14	0.3	0.3	4.7	395.11	5.5	1.9
Alternative Energy	10	126.14	-0.7	-0.7	-0.3	178.37	0.6	1.4
Real Estate Investment & Services	158	315.71	-0.4	-0.4	-14.5	572.99	-13.1	3.5
Real Estate Investment Trusts	81	427.48	2.6	2.6	-13.8	923.16	-12.4	4.2
Real Estate Investment & Services	152	258.63	2.8	2.8	-30.0	463.40	-29.7	4.2

The FTSE Global Equity Series, launched in 2003, contains the FTSE Global Small Cap Indices and broader FTSE Global All Cap Indices (large/mid/small cap) as well as the enhanced FTSE All-World index Series (large/mid cap) - please see www.ftse.com/geis. The trade names Fundamental Index® and RAFI® are registered trademarks and the patented and patent-pending proprietary intellectual property of Research Affiliates, LLC (US Patent Nos. 7,620,577; 7,747,502; 7,778,905; 7,792,719; Patent Pending Publ. Nos. US-2006-0149645-A1, US-2007-0055598-A1, US-2008-0288416-A1, US-2010- 0063942-A1, WO 2005/076812, WO 2007/078399 A2, WO 2008/118372, EPN 1733352, and HK1099110). "EDHEC™" is a trade mark of EDHEC Business School As of January 2nd 2006, FTSE is basing its sector indices on the Industrial Classification Benchmark - please see www.ftse.com/icb. For constituent changes and other information about FTSE, please see www.ftse.com. © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change
3I Group PLC	810.60	-2.40
Admiral Group PLC	2277	14.00
Anglo American PLC	1773	-52.20
Antofagasta PLC	859.40	-8.60
Ashtead Group PLC	2417	56.00
Associated British Foods PLC	1917	-11.00
Astrazeneca PLC	8281	80.00
Auto Trader Group PLC	528.00	-2.00
Aveva Group PLC	3847	-25.00
Aviva PLC	278.30	1.80
Bae Systems PLC	498.00	-6.80
Barclays PLC	116.10	-0.96
Barratt Developments PLC	499.20	-26.60
Berkeley Group Holdings (The) PLC	4055	-126.00
Bhp Group PLC	1613	-54.40
BP PLC	316.00	-7.05
British American Tobacco PLC	2989.5	-10.50
British Land Company PLC	413.30	0.40
Bt Group PLC	113.65	-1.65
Bunzl PLC	2069	185.00
Burberry Group PLC	1549	-45.00
Carnival PLC	1259.5	-9.50
Centrica PLC	42.59	-0.57
Coca-Cola Hbc AG	2052	-4.00
Compass Group PLC	1110	-40.00
Crh PLC	2692	16.00
Croda International PLC	5004	-4.00
Dcc PLC	6632	-70.00
Diageo PLC	2725	-55.00
Easyjet PLC	767.60	-37.40
Evraz PLC	283.70	-4.10
Experian PLC	2736	12.00
Ferguson PLC	6038	-30.00
Flutter Entertainment PLC	10850	100.00
Fresnillo PLC	747.60	-46.60
Glaxosmithkline PLC	1600.8	1.60
Glencore PLC	167.98	-4.36
Halma PLC	2179	-6.00
Hargreaves Lansdown PLC	1628	13.00
Hikma Pharmaceuticals PLC	2359	54.00
HSBC Holdings PLC	376.20	-4.15
Imperial Brands PLC	1472.5	-13.00
Informa PLC	462.80	2.20
Intercontinental Hotels Group PLC	3816	-36.00
Intermediate Capital Group PLC	1224	-
International Consolidated Airlines Group S.A.	264.70	-10.80
Intertek Group PLC	5266	-12.00
Itv PLC	78.92	0.22
Jd Sports Fashion PLC	623.00	-5.20
Johnson Matthey PLC	2089	-1.00
Just Eat Takeaway.Com N.V.	7222	-154.00
Land Securities Group PLC	603.00	-16.60
Legal & General Group PLC	228.90	3.30
Lloyds Banking Group PLC	31.53	-0.40
London Stock Exchange Group PLC	7968	6.00
M&G PLC	158.70	7.20
Meggitt PLC	296.60	6.60
Melrose Industries PLC	115.90	-2.65
Mondi PLC	1439.5	6.00
Morrison (Wm) Supermarkets PLC	182.10	-1.80
National Grid PLC	915.00	-1.20
Next PLC	5012	-16.00
Ocado Group PLC	1937.5	-20.50
Pearson PLC	572.20	-0.80
Pennon Group PLC	1107	10.00
Persimmon PLC	2267	-57.00
Phoenix Group Holdings PLC	625.20	-12.80
Polymetal International PLC	1468.5	-56.50
Prudential PLC	1135	-7.00
Reckitt Benckiser Group PLC	6950	42.00
Relx PLC	1831.5	-2.50
Rentokil Initial PLC	486.00	5.60
Rightmove PLC	565.60	5.00
Rio Tinto PLC	4480.5	-115.50
Rolls-Royce Holdings PLC	323.80	-3.70
Royal Bank Of Scotland Group PLC	118.25	-0.45
Royal Dutch Shell PLC	1290.8	-15.00
Royal Dutch Shell PLC	1334.8	-15.60
Rsa Insurance Group PLC	407.70	2.10
Sage Group PLC	646.80	-3.40
Sainsbury (J) PLC	192.50	-2.50
Schroders PLC	2935	20.00
Scottish Mortgage Investment Trust PLC	731.00	5.00
Segro PLC	880.00	8.40
Severn Trent PLC	2407	1.00
Smith & Nephew PLC	1607.5	6.00
Smith (Ds) PLC	321.70	1.70
Smiths Group PLC	1255.5	-2.50
Smurfit Kappa Group PLC	2492	32.00
Spirax-Sarco Engineering PLC	9696	126.00
Sse PLC	1248	9.50
St. James's Place PLC	927.20	0.60
Standard Chartered PLC	417.50	-9.40
Standard Life Aberdeen PLC	252.00	0.90
Taylor Wimpey PLC	145.80	-5.70
Tesco PLC	222.10	-4.10
Unilever PLC	4290	-14.00
United Utilities Group PLC	911.80	9.80
Vodafone Group PLC	124.46	-1.64
Whitbread PLC	2313	-51.00
Wpp PLC	624.60	6.00

UK STOCK MARKET TRADING DATA

	Jun 15	Jun 12	Jun 11	Jun 10	Jun 09	Yr Ago
	-	-	-	-	-	-
Order Book Turnover (m)	159.12	62.96	62.96	58.66	108.26	205.10
Order Book Bargains	840568.00	1246675.00	1246675.00	1362474.00	1230472.00	1414560.00
Order Book Shares Traded (m)	1244.00	2113.00	2113.00	2305.00	2070.00	2476.00
Total Equity Turnover (£m)	7034.30	10736.60	10736.60	8624.21	5486.66	8413.09
Total Mkt Bargains	1025571.00	1492264.00	1492264.00	1640055.00	1476981.00	1703415.00
Total Shares Traded (m)	4320.00	7568.00	7568.00	7083.00	6773.00	8007.00

† Excluding intra-market and overseas turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover. (u) Unavaliable. (c) Market closed.

Data provided by Morningstar | www.morningstar.co.uk

POWERED BY MORNINGSTAR

UK RIGHTS OFFERS

Issue price	Amount paid up	Latest renun. date	High	Low	Stock	closing Price p	+or-

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
Best of the Best	Pre	**17.789**	14.807	**4.205**	4.700	**37.510**	38.540	**0.00000**	2.00000	-	**0.000**	2.000
Cake Box Holdings	Pre	**18.742**	16.909	**3.764**	3.809	**7.820**	7.510	**0.00000**	2.40000	-	**1.600**	3.600
Evgen Pharma	Pre	**0.000**	0.000	**3.166L**	3.120L	**2.100L**	2.740L	**0.00000**	0.00000	-	**0.000**	0.000
IDOX	Int	**35.140**	30.993	**0.289**	2.622L	**0.230L**	0.730L	**0.00000**	0.00000	-	**0.000**	0.000
Integumen	Pre	**0.823**	0.274	**2.397L**	1.519L	**0.300L**	1.000L	**0.00000**	0.00000	-	**0.000**	0.000
JPMorgan European Investment Trust	Pre			**65.317L**	2.834L	**45.260L**	8.030L	**4.00000**	4.00000	Apr 3	**8.850**	8.850
JPMorgan Multi-Asset Trust	Pre		-	**4.948**	-	**5.330**	-	**1.00000**	-	May 7	**3.000**	-
Scottish Investment Trust (The)	Int			**38.104L**	1.068	**52.720L**	0.090	**0.00000**	5.30000	-	**6.863**	11.500

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)

§Placing price. *Introduction. ‡When issued. Annual report/prospectus available at www.ft.com/ir
For a full explanation of all the other symbols please refer to London Share Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ	18.41	-0.51	28.95	14.10	7.86	13.10	35797.86
BHPBilltn	35.25	-0.74	42.33	24.05	5.20	13.69	71193.39
CmwBkAu	66.30	-1.02	91.05	53.44	6.32	14.98	80466.54
CSL	278.79	-5.53	342.75	210.25	0.93	45.33	86785.94
NatAusBk♦	18.10	-0.49	30.00	13.20	8.30	17.90	40759.18
Telstra	3.12	-0.04	4.01	2.87	3.12	18.54	25440.6
Wesfarmers	41.03	-1.44	47.42	29.75	4.22	24.02	31895.04
Westpc	17.38	-0.51	30.05	13.47	9.06	14.42	43035.75
Woolworths	35.85	-0.82	43.96	32.03	2.77	33.07	31045.08
Belgium (€)							
AnBshInBv	44.22	-0.99	92.71	29.03	3.81	12.16	84408.21
KBC Grp	49.25	0.18	73.56	33.44	7.01	10.35	23121.04
Brazil (R$)							
Ambev	13.24	-0.33	20.77	10.36	4.56	14.50	39938.88
Bradesco	19.35	-0.54	32.63	14.05	1.16	6.95	16452.16
Cielo	5.43	1.22	9.07	3.23	3.89	12.03	2828.12
ItauHldFin	23.81	-0.66	32.79	19.46	4.20	9.61	22632.31
Petrobras	20.85	-0.39	33.65	10.50	2.86	7.14	29748.16
Vale	53.22	-0.18	57.36	32.45	3.49	251.67	53915.54
Canada (C$)							
BCE	56.79	-0.50	65.45	46.03	5.56	16.91	37699.96
BkMontrl	74.53	0.08	104.75	55.76	5.43	8.67	34995.72
BkNvaS	58.13	-0.38	76.75	46.38	5.98	8.69	51691
Brookfield	45.65	-0.79	60.48	31.35	1.21	30.42	52708.11
CanadPcR	339.86	-2.53	365.69	252.00	0.95	20.13	33839.07
CanImp	93.77	-0.25	115.96	67.52	5.95	8.51	30642.32
CanNatRs	23.82	-0.52	42.57	9.80	6.28	5.27	20648.15
CanNatRy♦	117.75	-1.77	127.79	92.01	1.80	19.68	61470.42
Enbridge	42.00	-0.13	57.32	33.06	7.00	16.03	62436.58
GtWesLif	23.64	-0.16	35.60	18.88	6.96	9.52	16098.62
ImpOil♦	22.90	-0.24	37.75	10.27	3.76	6.10	12340.14
Manulife	18.57	-0.21	27.78	12.58	5.37	6.73	26438.5
Nutrien	48.98	-0.29	73.00	34.80	4.64	22.30	20489.1
RylBkC	91.30	-0.05	109.68	72.00	4.45	10.33	95396.03
Suncor En♦	24.44	-0.43	45.12	14.02	6.85	13.19	27362.59
ThmReut	90.98	-0.67	109.99	75.91	2.05	22.57	33110.4
TntoDom	61.82	-0.59	77.96	49.01	4.70	9.55	81796.41
TrnCan	59.00	0.12	76.58	47.05	5.03	13.82	40707.06
ValeantPh	30.80	-1.06	36.02	14.01	-	-4.62	8158.48
China (HK$)							
AgricBkCh	3.11	0.03	3.50	2.69	6.21	4.68	12334.57
Bk China	2.86	-0.04	3.39	2.71	7.18	4.23	30857.46
BkofComm	4.72	-0.07	6.56	4.20	7.05	4.39	21322.22
BOE Tech	0.64	0.04	1.04	0.47	-	-10.28	16.43
Ch Coms Cons	4.74	-0.05	7.47	4.56	5.54	4.08	2707.77
Ch Evrbrght♦	2.95	0.02	3.80	2.65	6.05	4.37	4825.91
Ch Rail Cons	6.76	-0.09	10.18	6.76	3.44	4.86	1810.97
Ch Rail Gp	4.14	-0.02	6.41	3.45	3.43	4.01	2247.46
ChConstBk	6.14	-0.06	6.85	5.55	5.55	5.23	190463.41
China Vanke	24.40	-0.60	34.75	21.65	4.76	6.33	5961.27
ChinaCitic	3.37	-0.03	4.79	3.30	7.56	3.38	6471.06
ChinaLife	15.54	-0.44	22.90	11.64	1.09	7.18	14920
ChinaMBank	36.15	-0.75	42.75	29.80	2.89	8.78	21413.25
ChinaMob♦	53.10	-1.15	71.80	45.20	5.20	9.71	140282.86
ChinaPcIns♦	21.10	-0.60	34.75	17.90	5.26	5.62	7555.59
ChMinsheng	5.38	-0.05	6.06	4.91	7.14	3.92	5775.62
ChMrchSecs	16.90	-0.01	19.75	15.20	1.58	18.12	13623.42
Chna Utd Coms	4.86	-0.06	6.96	4.85	1.11	31.13	14728.25
ChShenEgy♦	12.34	-0.16	17.48	11.96	8.15	5.48	5411.16
ChShpbldng	4.03	-0.05	6.86	4.00	0.23	209.27	10386.17
ChStConEng	4.97	-0.04	6.20	4.93	3.43	5.27	28899.8
ChUncHK♦	4.25	-0.08	8.76	3.84	3.40	10.88	16778.79
CNNC Intl	4.04	-0.03	5.67	4.02	3.01	15.16	8863.9
CSR	3.59	-0.06	6.81	3.58	4.64	9.01	2024.68
Daqin	6.94	-	8.85	6.69	7.01	8.35	14542.99
Gree Elec Apl	0.08	0.00	0.37	0.01	-	-0.02	3.65
GuosenSec	10.56	-0.08	14.28	10.38	1.15	20.84	12205.54
HaitongSecs	6.03	-0.03	9.58	5.79	2.76	7.78	2652.71
Hngzh HikVDT	28.31	-0.51	40.09	24.61	2.15	21.65	32283.58
Hunng Pwr	2.79	-0.06	4.89	2.24	3.90	265.24	1692.04
IM Baotou Stl	1.07	-0.01	1.77	1.04	0.67	-235.33	4777.56
In&CmBkCh	5.05	-0.07	6.11	4.81	5.50	5.24	56553.26
IndstrlBk	15.63	-0.34	20.42	14.93	4.47	4.88	43214.75
Kweichow	1383	-33.37	1435	902.60	1.07	39.79	244882.91
Midea	0.69	-	1.42	0.58	-	-2.46	19.14
New Ch Life Ins	25.20	-0.70	40.00	20.45	3.39	4.48	3362.35
PetroChina	2.59	-0.07	4.46	2.20	5.70	22.27	7050.83
PingAnIns	79.40	-1.20	101.00	69.00	2.52	8.98	76297.67
PngAnBnk	12.82	-0.17	17.60	11.91	1.15	8.49	35066.78
Pwr Cons Corp	3.43	-0.04	5.47	3.40	2.89	7.70	5387.98
SaicMtr	17.72	-0.27	27.48	17.46	7.21	11.06	29181.9
ShenwanHong	0.03	0.00	0.13	0.03	-	-0.12	32.76
ShgPdgBk	10.35	-0.20	13.33	9.82	3.43	5.35	41000.02
Sinopec Corp♦	3.34	-0.07	5.40	3.20	12.88	15.55	10995.02
Sinopec Oil	1.72	-0.02	2.65	1.67	-	60.67	2919.62
Denmark (kr)							
DanskeBk	87.36	-0.50	123.60	68.04	-	7.02	11388.8
MollerMrsk	7510	-30.00	10555	4976	1.88	52.05	11424.16
NovoB	429.40	-2.70	453.20	312.00	1.92	25.52	117684.9

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Finland (€)							
Nokia	3.75	0.02	5.12	2.08	2.52	1593.68	23891.46
SampoA	30.40	-0.17	42.55	21.34	8.85	15.78	18993.21
France (€)							
Airbus Grpe	68.00	1.05	139.40	48.12	2.29	-41.14	60111.4
AirLiquide	123.50	0.45	140.70	94.86	1.84	27.65	65920.93
AXA	18.30	0.01	25.62	11.84	6.92	12.76	49890.62
BNP Parib	34.30	-0.68	54.22	24.51	8.32	5.85	48324.44
ChristianDior	370.00	-5.80	498.20	252.40	1.58	24.08	75299.65
Cred Agr	8.06	-0.07	13.80	5.70	8.09	5.71	26213.8
Danone	60.90	-0.34	82.38	50.26	3.01	21.86	47110.08
EDF	8.17	0.01	13.61	5.98	3.58	5.25	28602.2
Engie SA	10.81	-0.15	16.80	8.63	3.32	33.67	29680.52
EssilorLuxottica	112.00	-1.90	145.00	86.76	1.72	48.60	55255.21
Hermes Intl	731.40	-7.00	788.20	516.00	0.59	53.23	87054.06
LOreal	260.90	-2.50	278.50	196.00	1.39	41.48	164515.66
LVMH	371.45	-7.70	439.05	278.70	1.58	27.64	211500.41
Orange	10.29	-0.13	15.38	8.84	6.43	10.68	30845.46
PernodRic	140.40	-3.25	179.50	112.25	0.96	25.69	42014.51
Renault	21.90	-0.11	58.10	12.77	15.31	-44.58	7300.03
Safran	91.90	2.06	152.30	51.10	1.87	17.28	44266.92
Sanofi	89.19	0.17	95.06	67.65	3.25	40.84	126309.99
Sant Gbn	30.53	0.62	39.57	16.41	4.11	12.53	18748.53
Schneider	91.54	0.42	105.50	61.72	2.42	22.37	60073.24
SFR Group	34.50	-	34.56	21.87	-	-23.02	17905.81
SocGen	14.41	-0.36	32.23	11.35	15.06	7.98	13862.38
Total	34.69	-0.41	50.93	21.12	7.62	12.78	101763.22
UnibailR	190.00	0.35	236.45	177.35	5.49	24.87	22215.04
Vinci	83.50	0.52	107.35	54.76	3.07	15.19	57069.95
Vivendi	22.20	0.08	26.42	16.60	2.13	18.39	29672.7
Germany (€)							
Allianz	176.92	-1.16	232.60	117.10	4.80	9.95	83212.57
BASF	51.01	-0.11	72.17	37.36	6.19	21.46	52822.67
Bayer	65.25	0.02	78.34	44.86	4.23	24.50	72272.9
BMW	55.95	-0.20	77.06	36.60	5.91	8.00	37974.24
Continental	87.74	1.44	133.76	51.45	5.11	-15.16	19785.02
Daimler	35.68	-0.35	54.50	21.02	8.99	103.34	43030.64
Deut Bank	8.25	-0.03	10.37	4.45	1.32	-2.99	19223.95
Deut Tlkm	14.69	0.10	16.75	10.41	4.50	18.97	78860.18
DeutsPost	29.81	-0.40	35.00	19.11	3.80	17.47	41557.98
E.ON	9.67	-0.06	11.56	7.60	4.20	42.68	28808.65
Fresenius Med	73.62	-0.62	81.10	53.50	1.50	19.68	25269.06
Fresenius SE	41.77	-0.45	51.54	24.25	1.81	13.09	21290.53
HenkelKgaA	74.05	0.10	90.30	54.65	2.33	16.37	21689.69
Linde	178.15	-0.55	208.60	130.45	1.65	52.94	105485.89
MuenchRkv	225.40	0.70	284.20	141.10	3.88	12.58	35602.84
SAP	114.36	-0.94	129.60	82.13	1.24	43.56	158396.94
Siemens	97.45	-1.11	119.90	58.77	3.68	16.15	93389.22
Volkswgn	145.90	-0.50	185.00	99.16	3.11	5.81	48540.64
Hong Kong (HK$)							
AIA♦	69.20	-2.20	88.50	60.05	1.60	17.09	107951.76
BOC Hold	23.70	-0.40	31.65	20.30	5.84	8.25	32330.61
Ch OSLnd&Inv	23.80	-0.35	31.00	21.80	3.77	5.93	33644.41
ChngKng	45.95	-1.05	63.20	33.40	4.00	6.17	21897.18
Citic Ltd	7.53	-0.28	11.46	6.88	5.51	4.31	28262.94
Citic Secs	14.50	-0.40	18.72	12.60	2.68	13.36	4262.46
CK Hutchison	50.55	-1.50	78.85	45.05	5.92	5.19	25151.33
CNOOC♦	8.61	-0.22	14.04	6.24	7.99	5.95	49599.31
HangSeng	129.30	-0.20	202.00	117.50	5.69	10.73	31895.29
HK Exc&Clr	287.40	-8.80	299.60	206.00	2.23	40.78	47013.88
MTR	39.55	-1.30	55.75	36.20	2.86	21.61	31432.25
SandsCh	31.15	-1.40	45.45	25.15	5.99	16.86	32510.96
SHK Props	97.60	-2.70	137.60	87.60	4.79	7.52	36491.45
Tencent	433.60	-7.40	455.40	312.20	0.21	42.60	534483.61
India (Rs)							
Bhartiartl	550.70	-9.40	612.00	321.15	-	-10.09	39516.62
HDFC Bk	949.85	-32.90	1305.5	738.75	0.80	19.77	68542.81
Hind Unilevr	2084.3	-22.95	2614.3	1659.05	1.16	65.66	64365.09
HsngDevFin	1751.65	-40.55	2499.9	1473.45	1.21	13.79	39905.59
ICICI Bk	331.10	-13.10	552.20	268.30	0.31	22.68	28199.23
Infosys	687.55	-4.50	847.00	509.25	2.78	17.39	38516.65
ITC	187.20	-6.70	282.90	134.60	3.10	15.21	30266.55
L&T	899.90	-26.50	1591.65	661.00	2.02	12.99	16617.01
OilNatGas	84.10	0.20	173.45	50.00	8.41	4.89	13915.93
RelianceIn	1614.55	25.75	1626.95	867.40	0.41	22.46	134624.9
SBI NewA	173.70	-5.45	373.80	149.45	-	11.53	20389.88
SunPhrmInds	485.80	5.70	512.70	312.00	0.57	28.84	15331.13
Tata Cons	2029.9	-9.60	2296.2	1506.05	1.59	23.26	100186.12
Indonesia (Rp)							
Bk Cent Asia	22300	200.00	24700	16800	-	-	38879.26
Israel (ILS)							
TevaPha	40.00	-2.24	46.45	21.75	-	-13.34	12687.94
Italy (€)							
Enel	7.36	0.02	8.61	5.15	4.02	35.54	84386.09
ENI	8.58	-0.01	14.94	6.26	9.66	-8.05	35155.26
Generali	13.41	-0.02	19.63	10.20	6.34	10.29	23819.54
IntSPaolo	1.63	0.00	2.63	1.31	11.44	7.31	32111.09
Unicred	7.90	-0.05	14.44	6.01	3.23	9.75	19879.71

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Japan (¥)							
AstellasPh	1741.5	4.00	1987	1375	2.10	15.84	30187.63
Bridgestne	3468	-93.00	4734	2861.5	4.33	9.15	23044.6
Canon	2190	-42.50	3256	2035	7.37	20.00	27195.58
CntJpRwy♦	17705	-465.00	23455	14340	0.79	8.21	33957.73
Denso	3903	-107.00	5174	3021	3.36	16.25	28633.2
EastJpRwy♦	8153	-217.00	10830	7060	1.81	12.01	28688.45
Fanuc♦■	18855	-1045.00	22030	12020	1.74	47.30	35447.52
FastRetail	60800	-3200.00	70230	39910	0.77	42.59	60046.35
Fuji Hvy Ind	2322	-108.50	3184	1671.5	5.81	13.43	16628.9
Hitachi	3425	-148.00	4693	2524	2.46	17.57	30864.55
HondaMtr	2741	-74.50	3259	2120	3.83	10.87	46228.07
JapanTob	2104.5	-44.50	2555	1862	7.38	11.80	39188.12
KDDI	3141	-23.00	3451	2629	3.28	12.15	67384.46
Keyence	42120	-1380.00	46740	28905	0.22	53.36	95376.45
MitsbCp	2341.5	-67.50	2979	2094.5	5.08	7.48	32389.75
MitsubEst	1648	-73.50	2283	1291	1.82	19.45	21348.25
MitsubishiEle	1389	-50.50	1658	1096.5	2.70	13.97	27768.38
MitsuiFud	2044.5	-140.50	3035	1538	2.11	12.67	18640.45
MitUFJFin	429.10	-10.40	603.00	380.00	5.55	7.03	54262.24
Mizuho Fin	133.70	-2.10	173.10	108.40	5.26	46.16	31609.09
Murata Mfg	6160	-175.00	6920	4304	2.85	88.80	38758.64
NipponTT	2474	-16.50	2908	2153	3.60	11.70	89851.98
Nissan Mt	408.30	-13.80	789.60	311.20	8.84	40.82	16045.05
Nomura	463.40	-12.80	586.40	341.00	3.64	6.52	15073.01
Nppn Stl	1009	-7.50	1886	798.10	5.02	5.20	8927.65
NTTDCMo	2895	23.50	3475	2462	3.72	16.88	87024.64
Panasonic	928.20	-23.10	1264	691.70	3.03	8.01	21201.8
Seven & I	3579	-154.00	4485	3113	2.77	14.29	29538.44
ShnEtsuCh♦	11850	-605.00	13945	8751	1.66	16.81	45970.43
Softbank	4905	-166.00	5886	2609.5	0.63	-9.69	95438.18
Sony	7317	-87.00	8113	5297	0.51	15.04	85910.03
SumitomoF	3105	-46.00	4145	2507.5	5.59	8.64	39697.39
Takeda Ph	3922	-67.00	4562	2894.5	4.30	-60.58	57562.85
TokioMarine	4726	-82.00	6317	4167	3.67	12.71	30889.18
Toyota	6700	-153.00	8026	5771	3.08	8.27	203548.1
Mexico (Mex$)							
AmerMvl	15.26	-0.12	16.82	12.33	2.24	55.76	30249.96
FEMSA UBD	146.12	-0.99	189.67	127.25	2.00	12.47	13963.95
WalMrtMex	55.60	1.21	62.71	47.76	1.97	21.63	42930.08
Netherlands (€)							
Altice	3.56	-0.04	6.86	2.26	-	19.38	4168.16
ASML Hld	303.65	-2.35	321.80	166.32	1.02	49.34	145724.24
Heineken	81.16	-0.30	105.00	68.82	1.97	24.51	52706.29
ING	6.28	-0.10	11.26	4.23	10.23	6.65	27604.46
Unilever	46.98	-0.35	57.77	38.42	3.25	23.25	77370.32
Norway (Kr)							
DNB	130.00	-4.70	178.10	94.26	6.58	8.06	21395.91
Equinor	141.65	-2.40	187.20	95.20	6.46	28.28	49253.4
Telenor	146.95	-3.05	190.80	130.75	5.30	41.19	22075.98
Qatar (QR)							
QatarNtBk	17.60	-0.10	21.25	15.71	3.45	12.00	44647.42
Russia (RUB)							
Gzprm neft	185.71	-3.02	272.68	158.17	10.29	2.41	58976.64
Lukoil	4745.5	-157.00	6810	3663	6.06	4.23	44107.51
MmcNrlskNckl	20150	-66.00	23656	13352	12.39	7.95	42774.79
Novatek	973.20	-3.20	1382.2	682.80	3.03	6.81	39639.58
Rosneft	324.00	-11.00	489.90	229.80	7.81	8.59	46063.6
Sberbank	188.91	-2.03	270.80	172.15	9.47	4.04	54705
Surgutneftegas	35.13	-0.76	54.89	24.06	2.07	11.47	16833.73
Saudi Arabia (SR)							
AlRajhiBnk	59.20	-	72.80	51.00	6.00	15.39	39429.88
Natnlcombnk	38.65	0.15	60.60	30.50	5.80	9.99	30891.18
SaudiBasic	88.50	-0.50	120.60	61.90	5.02	224.59	70733.97
SaudiTelec	98.50	-0.70	114.20	72.30	4.10	17.99	52484.34
Singapore (S$)							
DBS	21.30	-0.63	27.04	16.65	6.99	12.78	38801.95
JardnMt US$	43.11	-0.85	65.38	39.66	3.78	6.01	31617.12
JardnStr US$	21.60	-0.61	40.00	17.81	1.51	5.90	23939.45
OCBC	8.94	-0.30	11.82	7.80	5.33	15.54	28254.68
SingTel	2.52	-0.03	3.56	2.19	6.83	32.90	29522.41
UOB♦■	20.82	-1.46	27.02	17.28	4.96	8.34	24937.4
South Africa (R)							
Firstrand	42.22	-1.45	71.79	31.13	8.07	7.10	13716.49
MTN Grp	53.41	0.88	114.43	26.25	11.40	9.29	5828.65
Naspers N	2876.06	-103.94	3643	1843.8	0.29	22.50	72543.6
South Korea (KRW)							
HyundMobis	187000	-19000.00	268500	126000	2.17	8.08	14618.39
KoreaElePwr	19900	-1250.00	29500	15550	-	-8.22	10506.26
SK Hynix	82000	-3200.00	106000	62400	1.23	35.56	49094.28
SmsungEl	49900	-2400.00	62800	42300	2.83	15.80	244987.16
Spain (€)							
BBVA	3.06	-0.07	5.34	2.46	13.56	154.85	22966.54
BcoSantdr	2.15	-0.06	4.26	1.78	10.10	6.31	40291.78
CaixaBnk	1.88	0.03	2.94	1.50	5.24	10.28	12705.23
Iberdrola	9.71	-0.04	11.35	7.76	3.74	16.98	70665.28
Inditex	23.92	-0.49	32.28	18.51	2.59	21.86	84051.49
Repsol	8.68	-0.01	15.67	5.92	10.11	-3.70	15325.68
Telefonica	4.47	-0.08	7.59	3.53	8.46	27.82	26149.13

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Sweden (SKr)							
AtlasCpcoB	327.50	3.80	350.40	223.20	1.84	24.96	13661.16
Ericsson	83.70	0.10	94.56	59.54	0.86	141.07	27489.74
H & M	144.35	0.50	214.35	98.13	6.41	17.30	22539.13
Investor	493.40	10.40	568.60	370.10	2.52	15.20	24023.72
Nordea Bk	66.68	-0.99	86.73	48.00	-	16.44	28867.77
SEB	78.28	-	104.90	59.80	-	9.96	18158.59
SvnskaHn	89.26	0.14	113.80	71.80	-	11.45	18556.44
Swedbank	121.78	-1.44	162.70	99.14	-	11.21	14736.44
Telia Co	32.30	0.64	44.90	30.29	9.66	20.84	14120.64
Volvo	136.50	-0.30	175.10	95.00	-	9.69	24113.02
Switzerland (SFr)							
ABB	19.84	0.09	24.69	14.11	7.85	45.80	45284.83
CredSuisse	9.41	-0.04	13.80	6.18	2.78	6.10	25315.25
Nestle	103.14	0.34	113.20	83.37	2.21	25.78	323133.63
Novartis	80.82	0.56	96.38	65.09	3.63	25.99	209904.06
Richemont	59.94	-0.86	87.44	44.64	3.25	22.95	32938.92
Roche	327.80	2.15	357.85	260.90	2.47	22.55	242446.63
Swiss Re	74.18	0.98	117.05	52.68	6.67	34.45	25567.83
Swisscom	485.00	-2.20	577.80	446.70	-	15.01	167166.31
Syngent	453.40	0.90	471.20	402.50	-	39.22	43035.76
UBS	10.23	-0.03	13.28	7.00	6.46	8.37	41560.29
Zurich Fin	329.80	2.80	439.90	248.70	5.21	13.22	52238.93
Taiwan (NT$)							
Chnghwa Telecom	111.50	-1.00	123.50	103.00	4.00	26.47	29110.83
Formosa PetChem	90.00	-0.50	119.00	66.10	5.01	24.80	28854.42
HonHaiPrc	77.00	-0.70	101.50	65.70	4.88	9.94	35925.94
MediaTek	492.50	-5.50	509.00	273.00	1.72	35.95	26336.15
TaiwanSem	309.50	-6.50	366.00	230.50	4.02	19.68	270103.55
Thailand (THB)							
PTT Explor	36.50	-0.75	49.50	23.60	5.67	11.57	33500.97
United Arab Emirates (Dhs)							
Emirtestele	16.34	-0.02	17.80	11.04	4.95	16.16	38687.51
United Kingdom (p)							
AscBrFd	1917	-11.00	2730	1554	2.42	21.44	19071.34
AstraZen	8281	80.00	9537.09	5871	2.68	89.29	131790.12
Aviva	278.30	1.80	439.40	205.70	10.87	4.41	14035.26
Barclays	116.10	-0.96	192.99	73.04	2.58	9.71	24895.35
BP	316.00	-7.05	563.00	4.69	10.44	-23.94	79144.64
BrAmTob	2989.5	-10.50	3507	34.85	6.79	12.01	70042.53
BSkyB	1727.5	1.50	1740	893.50	0.76	36.60	38843.72
BT	113.65	-1.65	212.25	98.39	13.55	5.21	14170.26
Compass	1110	-40.00	2150	20.62	3.47	15.88	22939.97
Diageo	2725	-55.00	3633.5	2050.6	2.52	21.24	86206.29
GlaxoSmh♦	1600.8	1.60	1857	1328.19	5.00	14.95	98929.4
Glencore	167.98	-4.36	282.80	109.76	8.93	-74.16	30449.33
HSBC	376.20	-4.15	674.80	369.35	6.37	25.91	94787
Imperial Brands	1472.5	-13.00	2256	1258.2	13.14	13.92	17648.03
LlydsBkg	31.53	-0.40	73.66	25.68	3.55	13.14	28555.66
Natl Grid	915.00	-1.20	1073.8	8.90	5.17	21.43	38594.83
Prudential	1135	-7.00	1532.78	682.80	4.25	20.02	36902.22
RBS	118.25	-0.45	265.00	100.34	1.69	5.26	17781.22
ReckittB	6950	42.00	8191.3	5130	2.49	-17.68	61503
RELX	1831.5	-2.50	2109	1382.86	2.36	23.82	44451.63
RioTinto	4480.5	-115.50	5152	2954	5.58	12.17	75515.84
RollsRoyce	323.80	-3.70	930.20	235.50	3.61	-4.69	7567.71
RylDShlA	1334.8	-15.60	2637.5	946.10	11.22	13.60	77110.93
Shire#	4690	111.00	4780	2944	0.58	11.63	56567.13
StandCh	417.50	-9.40	742.60	368.40	1.35	10.76	17296.53
Tesco♦	222.10	-4.10	332.67	203.70	2.60	16.59	22852
Vodafone	124.46	-1.64	169.46	92.76	6.40	-18.83	41718.36
WPP	624.60	6.00	1085.5	450.00	9.61	12.54	9937.71
United States of America ($)							
21stC Fox A	28.66	0.37	39.74	19.81	1.64	11.70	9818.41
3M	156.04	1.17	187.72	114.04	3.76	18.07	89753.64
AbbottLb	88.42	-0.60	100.00	61.61	1.51	44.06	156401.3
Abbvie	92.32	-0.14	99.35	62.55	4.40	18.43	136332.84
Accenture	196.91	-4.68	216.39	137.15	1.53	26.09	130316.69
Adobe	403.04	-3.50	411.72	255.13	-	62.07	194185.01
AEP	81.15	-0.65	104.97	65.14	3.17	22.05	40216.57
Aetna	-	-	-	-	-	-	-
Aflac	36.41	-0.23	57.18	23.07	3.03	9.03	26124.46
AirProd	234.10	-0.95	257.01	167.43	2.09	26.19	51700.97
Alexion	108.49	-0.81	134.84	72.67	-	10.69	23957.57
Allergan	193.02	0.03	202.22	114.27	1.44	-12.82	63659.11
Allstate	94.47	-1.23	125.92	64.13	2.19	7.85	29674.55
Alphabet	1405	-7.92	1530.74	1008.87	-	27.99	421570.87
Altria	39.31	0.18	52.45	30.95	7.92	-59.19	73043.16
Amazon	2529.78	-15.24	2722.35	1626.03	-	119.26	1261793.58
AmerAir	15.95	-0.80	34.99	8.25	2.54	-8.37	6743.05
AmerExpr	101.17	-0.51	138.13	67.00	1.68	15.13	81438.97
AmerIntGrp♦	32.29	-0.75	58.66	16.07	4.02	6.48	27811.08
AmerTower	257.99	-0.09	269.25	174.32	1.39	64.14	114368.63
Amgen	217.33	-0.57	244.99	173.12	2.77	16.79	127843.81
Anadarko	72.77	0.56	76.23	40.40	1.50	-63.37	36563.54
Anthem♦	260.32	-5.42	312.48	171.03	1.30	13.88	65630.94
Aon Cp	180.60	-1.35	238.19	143.93	0.99	25.60	41733.88
Apple	337.58	-1.22	354.77	190.30	0.92	26.04	1463184.81
ArcherDan	38.39	-1.04	47.20	28.92	3.72	13.93	21325.5

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
AT&T	30.12	-0.38	39.70	26.08	6.46	16.80	216355.14
AutomData♦	144.58	-2.43	182.32	103.11	2.38	24.47	62136.78
Avago Tech	298.50	-1.75	331.58	155.67	3.58	51.84	119337.72
BakerHu	22.08	0.09	31.26	20.09	3.16	99.04	11412.93
BankAm♦	24.15	-0.63	35.72	17.95	2.90	9.73	209516
Baxter♦	83.09	-0.88	95.19	69.10	1.07	42.92	42143.75
BB & T	54.24	0.75	55.66	40.68	3.12	14.78	41564.3
BectonDick♦	232.94	2.06	286.72	197.75	1.26	88.97	66045.58
BerkshHat	268357.76	-3157.24	347400	239440	-	44.38	185941.07
Biogen	274.99	-4.28	374.99	215.78	-	8.39	44874.93
BkNYMeln	37.48	-0.97	51.60	26.40	2.99	8.76	33181.97
BlackRock	535.20	8.16	576.81	323.98	2.34	19.85	82561.11
Boeing	184.32	-5.19	391.00	89.00	4.52	-30.21	104016.45
BrisMySq	54.45	-1.72	68.34	42.48	2.93	28.56	123203.46
CapOne	68.95	-1.68	107.59	38.00	2.35	13.45	31393.63
CardinalHlth	52.54	-0.35	60.69	39.05	3.47	-3.86	15340.97
Carnival	18.67	-1.31	53.34	7.80	10.54	7.03	9854.36
Caterpillar	120.63	-2.52	150.55	87.50	2.97	11.84	65289.7
Celgene	108.24	0.11	110.70	58.59	-	12.71	77035.98
CharlesSch	36.07	-0.49	51.65	28.00	1.81	13.05	46436.98
Charter Comms	517.94	-4.63	549.00	345.67	-	62.32	106932.62
Chevron Corp	89.52	-2.87	127.00	51.60	5.04	61.28	167131.93
Chubb	125.97	0.28	167.74	87.35	2.41	15.52	56855.21
Cigna	184.96	-5.06	224.64	118.50	0.02	14.51	68246.72
Cisco	44.91	-0.17	58.26	32.40	2.97	18.33	189602.21
Citigroup	50.77	-1.48	83.11	32.00	3.95	6.93	105693.39
CME Grp	172.33	-2.39	225.36	131.80	1.65	30.74	61794.98
Coca-Cola♦	45.60	-0.01	60.13	36.27	3.58	19.39	195825.57
Cognizant	53.64	-1.16	71.48	40.01	1.41	17.19	28996.71
ColgtPlm	72.69	-0.10	77.41	58.49	2.40	24.48	62261.05
Comcast	39.05	-0.41	47.74	31.71	2.23	15.29	177857
ConocPhil	42.26	-1.48	67.13	20.84	3.48	13.03	45315.33
Corning♦	26.62	-0.31	34.26	17.44	3.12	77.26	20256.44
Costco	295.51	-3.19	325.26	257.55	0.87	35.25	130474.67
CrownCstl	164.73	0.36	176.85	114.18	2.86	91.83	68649.35
CSX	68.87	-0.70	80.62	46.81	1.44	16.37	52717.64
CVS	62.45	-1.70	77.03	52.04	3.04	12.96	81627.82
Danaher	169.97	1.59	174.52	119.60	0.38	54.96	118555.98
Deere	151.56	-3.41	181.99	106.14	1.91	15.53	47416.85
Delphi	12.99	-0.46	20.84	5.39	-	72.08	1121.68
Delta	29.49	-0.94	63.44	17.51	5.35	5.42	18808.35
Devon Energy♦	12.58	-0.22	29.36	4.70	2.64	-63.15	4814.37
DiscFinServ	53.01	0.02	92.98	23.25	3.29	7.83	16237
Disney	114.91	-0.58	153.41	79.07	1.55	49.51	207565.34
DominRes	83.92	0.77	90.89	57.79	4.46	38.69	70429.94
DowDupont	30.52	-0.65	48.38	30.06	6.73	-37.30	68559.76
DukeEner	85.86	-0.88	103.79	62.13	4.14	17.85	63094.44
Eaton	85.32	-0.70	105.78	56.42	3.40	16.54	34126
eBay♦	47.43	-0.23	51.88	26.02	1.24	21.57	33328.05
Ecolab	197.09	-6.50	231.36	124.60	0.89	38.98	56998.77
Emerson	61.14	-0.21	78.38	37.75	3.28	17.24	36529.64
EOG Res	50.78	-1.80	95.29	27.00	1.90	11.36	29553.38
EquityResTP	62.62	-0.96	89.55	49.62	3.44	25.39	23300.65
Exelon	37.83	-0.08	50.95	29.28	3.64	13.25	36861.85
ExpScripts	92.33	-3.47	101.73	66.93	-	11.10	52061.19
ExxonMb	46.24	-0.93	77.93	30.11	7.45	13.18	195512.49
Facebook	228.67	0.09	241.21	137.10	-	30.95	549848.87
Fedex	131.67	-1.05	178.50	88.69	2.43	-104.56	34398.76
FordMtr	6.37	-0.10	10.56	3.96	9.55	-8.05	24862.89
Franklin	22.29	0.50	35.77	14.91	4.82	11.28	11040.38
GenDyn	150.24	1.04	193.76	100.55	2.75	12.51	43098.67
GenElectric	7.08	-0.17	13.26	5.48	0.57	11.45	61929.41
GenMills	59.80	-0.36	64.31	46.59	3.22	17.46	36244.08
GenMotors	27.16	-0.80	41.90	14.33	5.71	4.34	38868.04
GileadSci♦	73.47	0.27	85.97	60.89	3.25	18.35	92158.81
GoldmSchs♦	200.26	-1.52	250.46	130.85	2.33	10.72	68866.73
Halliburton	12.53	-0.26	25.47	4.25	5.45	-10.24	10987.9
HCA Hold	100.22	-0.33	151.97	58.38	1.51	10.49	33836.17
Hew-Pack	16.40	0.12	23.93	12.54	3.82	8.51	23444.14
HiltonWwde	76.19	-1.26	115.48	44.30	0.75	26.42	21124.55
HomeDep	235.73	-6.73	259.29	140.63	2.20	24.12	253527.63
Honywell	143.12	-1.39	184.06	101.08	2.44	16.23	100448.46
HumanaInc	372.37	-6.35	412.70	208.25	0.62	18.84	49229.42
IBM	119.10	-2.81	158.75	90.56	5.51	11.64	105747.93
IllinoisTool	162.75	-2.19	190.85	115.94	2.41	22.17	51417.94
Illumina	343.13	1.52	380.76	196.78	-	53.40	50439.38
Intcntl Exch	92.26	-0.70	101.93	63.51	1.24	24.34	50486.68
Intel	58.90	-0.43	69.29	43.63	2.19	11.29	249382.6
Intuit	279.32	-1.36	306.89	187.68	0.68	47.41	72838.34
John&John	140.52	-1.63	157.00	109.16	2.74	21.63	370213.22
JohnsonCn	34.55	0.10	44.65	22.78	3.05	24.88	25696.73
JPMrgnCh	98.24	-1.63	141.10	76.91	3.28	9.66	299339.53
Kimb-Clark♦	138.41	2.47	149.23	110.66	3.05	19.94	47133.42
KinderM	15.45	-0.06	22.58	9.42	6.56	26.28	34928.67
Kraft Heinz♦	31.53	-0.27	34.00	19.99	5.14	19.94	38524.4
Kroger	31.73	-0.54	36.84	20.70	1.80	16.31	24941.8
L Brands	15.33	-0.32	28.02	8.00	7.46	-12.09	4240.28
LasVegasSd	48.52	-1.35	74.29	33.30	6.48	17.42	37056.17
LibertyGbl	21.80	-0.54	28.62	15.24	-	-33.40	3973.2
Lilly (E)	140.65	-2.90	164.90	101.36	1.93	23.17	134519.97
Lockheed♦	368.60	-13.27	442.53	266.11	2.53	16.50	103368.46

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Lowes	125.13	-0.92	133.39	60.00	1.62	23.91	94473.5
Lyondell	66.64	0.03	98.91	33.71	6.39	8.40	22238.18
Marathon Ptl	36.53	-0.09	69.65	15.26	5.51	9.70	23754.03
Marsh&M	103.40	-0.94	119.88	74.34	2.19	29.23	52332.69
MasterCard	292.36	-5.43	347.25	199.99	0.48	36.89	290325.29
McDonald's	186.36	-2.81	221.93	124.23	2.54	23.98	138569.13
McKesson♦	147.48	-0.77	172.18	112.60	1.09	-44.50	23870.11
Medtronic	91.81	-1.40	122.15	72.13	2.20	24.44	123040.65
Merck	74.10	-2.21	92.64	65.25	3.03	20.30	187023.28
Metlife	37.33	-0.12	53.28	22.85	4.42	6.49	33880.29
Microsoft	187.20	-0.54	198.52	130.78	1.05	30.79	1419620.01
Mnstr Bvrg	67.18	-1.12	73.43	50.06	-	34.89	35374.54
MondelezInt	50.53	-0.20	59.96	41.19	2.05	20.10	72129.76
Monsanto	127.95	0.02	127.97	114.19	1.64	23.62	56462.29
MorganStly	46.42	0.14	57.57	27.20	2.66	9.43	73141.97
MylanNV	15.77	-0.18	23.11	12.75	-	553.88	8149.67
Netflix	421.43	3.36	458.97	252.28	-	84.18	185346.61
NextEraE	246.64	-0.27	283.35	174.80	2.12	33.75	120717.66
Nike	95.77	-0.66	105.62	60.00	0.96	35.92	118756.47
NorfolkS	174.96	-3.22	219.88	112.62	2.13	18.74	48376.42
Northrop	309.83	-7.85	385.01	263.31	1.73	22.97	51649.51
NXP	106.97	0.80	139.59	58.41	1.30	125.65	29844.75
Occid Pet	18.31	-0.19	54.05	9.00	16.27	-16.09	16479.33
Oracle	52.40	0.54	60.50	39.71	1.80	16.96	165247.8
Pepsico♦	128.87	-0.13	147.20	101.42	3.00	24.64	178806.9
Perrigo♦	51.48	-0.01	63.86	40.01	1.51	50.72	7017.41
Pfizer	33.18	-0.57	44.56	27.88	4.12	12.19	184295.5
Phillips66	74.40	-2.86	119.92	40.04	4.46	11.59	32488.6
PhilMorris	71.01	0.59	90.17	56.01	6.64	14.27	110571.77
PNCFin	108.45	-2.31	161.79	79.41	4.11	9.97	46011.04
PPG Inds	101.06	-0.57	134.36	69.77	2.02	20.23	23842.42
Praxair♦	164.50	-0.99	169.75	140.00	2.08	42.03	47306.22
Priceline	1905.64	-1.38	2067.99	1612.41	-	17.15	92937.2
ProctGmbl	115.88	0.26	128.09	94.34	2.61	62.14	286877.47
Prudntl	63.03	-0.13	103.56	38.62	6.02	6.57	24896.85
PublStor♦	196.69	0.22	266.76	155.37	3.86	28.44	34379.99
Qualcomm♦	84.34	-0.90	96.17	58.00	2.79	25.26	94876.43
Raytheon	116.96	-5.47	233.48	103.00	2.98	10.60	32566.46
Regen Pharm	587.19	-1.20	625.79	271.37	-	29.12	64986.26
S&P Global	313.09	-3.82	334.66	186.06	0.77	32.28	75435.7
Salesforce	174.97	-0.14	195.72	115.29	-	1223.62	157647.97
Schlmbrg♦	18.62	-0.38	41.40	11.87	10.89	-1.42	25841.08
Sempra Energy	122.59	-1.46	161.87	88.00	3.26	18.19	35861.67
Shrwin-Will	553.51	5.89	603.36	325.43	0.87	30.98	50258.71
SimonProp	73.37	-2.61	168.52	42.25	10.73	11.36	22422.92
SouthCpr	36.15	-0.88	44.82	23.43	4.49	20.98	27942.21
Starbucks	75.79	-0.59	99.72	50.02	2.06	26.71	88545.46
StateSt	61.33	-1.79	85.89	42.10	3.35	10.40	21585.49
Stryker	183.85	-3.94	226.30	124.54	1.21	31.88	68912.16
Sychrony Fin	23.84	0.07	38.18	12.15	3.70	5.29	13915.59
T-MobileUS	102.80	0.49	106.72	63.50	-	26.96	127036.49
Target	116.65	-0.26	130.24	80.03	2.12	19.30	58324.31
TE Connect	77.74	-0.85	101.00	48.62	2.40	37.06	25642.37
Tesla Mtrs	944.41	9.13	1027.48	207.51	-	-202.36	175065.71
TexasInstr	121.94	-2.03	135.70	93.09	2.78	23.05	111913.2
TheTrvelers♦	112.64	-0.69	155.09	76.99	2.95	12.00	28479.43
ThrmoFshr	339.10	-0.67	356.42	250.21	0.24	36.69	133925.94
TimeWrnr	98.77	0.82	103.89	85.88	1.54	15.09	77269.69
TJX Cos	51.57	-0.89	64.95	32.72	1.64	20.26	61774.52
UnionPac	165.29	-0.89	188.96	105.08	2.32	18.96	112160.51
UPS B	103.93	2.45	125.31	82.00	3.50	21.44	73178.87
USBancorp	37.49	-0.03	61.11	28.36	4.00	9.50	56463.25
UtdHlthcre	281.11	-4.05	315.84	187.72	1.40	20.68	266594.22
UtdTech♦	86.01	-5.36	158.44	69.02	3.19	14.36	74498.84
ValeroEngy	61.71	-2.09	101.99	31.00	6.04	63.42	25157.04
Verizon	55.74	-0.79	62.22	48.84	4.45	12.42	230651.86
VertexPharm	264.90	-3.66	295.55	165.23	-	45.30	68682.4
VF Cp	61.36	0.11	100.25	45.07	2.98	19.54	24220.04
ViacomCBS	24.51	1.61	53.71	10.10	3.02	4.88	13801.78
Visa Inc	188.81	-3.45	214.17	133.93	0.59	33.51	318543.7
Walgreen	40.75	-0.65	64.50	36.65	4.38	10.62	35746.72
WalMartSto	117.96	0.22	133.38	102.00	1.71	23.84	334249.31
WellsFargo	27.62	-0.36	54.75	22.00	7.27	9.53	113221.43
Williams Cos♦	18.72	0.49	29.06	8.41	7.70	27.79	22704.98
Yum!Brnds	89.49	-1.79	119.72	54.95	1.78	22.79	26935.23
Venezuela (VEF)							
Bco de Vnzla	7199.99	-0.01	9000	310.00	578.11	-	129.36
Bco Provncl	496000	6000	530000	22000	-	54.35	263.46
Mrcntl Srvcs	528000	-22000.00	580000	39050	0.01	18.77	158.35

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Cielo	5.43	4.21	1.22	28.98	0.79	17.0	55.62
BOE Tech	0.64	0.60	0.04	6.67	0.04	6.7	4.92
Midea	0.69	0.69	0.00	0.00	0.04	6.2	1.47
RelianceIn	1614.55	1588.80	25.75	1.62	32.85	2.1	12.44
ReckittB	6950.00	6908.00	42.00	0.61	120.00	1.8	-99.00
Adobe	403.04	406.54	-3.50	-0.86	5.26	1.3	10.25
Apple	337.58	338.80	-1.22	-0.36	4.12	1.2	9.62
NovoB	429.40	432.10	-2.70	-0.62	4.90	1.2	-2.30
AstraZen	8281.00	8201.00	80.00	0.98	81.00	1.0	-99.05
Sony	7317.00	7404.00	-87.00	-1.18	37.00	0.5	7.71
Netflix	421.43	418.07	3.36	0.80	1.94	0.5	-7.27
Amazon	2529.78	2545.02	-15.24	-0.60	5.72	0.2	4.90
VertexPharm	264.90	268.56	-3.66	-1.36	-0.11	0.0	-8.22
Tencent	433.60	441.00	-7.40	-1.68	-0.60	-0.1	0.37
Hind Unilevr	2084.30	2107.25	-22.95	-1.09	-3.30	-0.2	3.90
Daqin	6.94	6.94	0.00	0.00	-0.02	-0.3	0.14
MediaTek	492.50	498.00	-5.50	-1.10	-1.50	-0.3	19.83
Kimb-Clark	138.41	135.94	2.47	1.81	-0.52	-0.4	-0.40
Nestle	103.14	102.80	0.34	0.33	-0.40	-0.4	-0.71
ChngKng	45.95	47.00	-1.05	-2.23	-0.20	-0.4	-2.76

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Carnival	18.67	19.98	-1.31	-6.56	-6.24	-25.1	46.31
Occid Pet	18.31	18.50	-0.19	-1.03	-6.09	-25.0	32.41
Halliburton	12.53	12.78	-0.26	-2.00	-3.88	-23.6	27.49
SimonProp	73.37	75.98	-2.61	-3.44	-22.13	-23.2	43.03
AmerAir	15.95	16.74	-0.80	-4.75	-4.37	-21.5	76.55
Schlmbrg	18.62	19.00	-0.38	-2.00	-5.03	-21.3	16.90
L Brands	15.33	15.65	-0.32	-2.02	-3.98	-20.6	41.30
Delta	29.49	30.43	-0.94	-3.09	-7.48	-20.2	53.54
Devon Energy	12.58	12.80	-0.22	-1.72	-3.18	-20.2	5.49
Boeing	184.32	189.51	-5.19	-2.74	-46.18	-20.0	53.78
SocGen	14.41	14.77	-0.36	-2.42	-3.38	-19.0	22.45
RollsRoyce	323.80	327.50	-3.70	-1.13	-74.60	-18.7	-98.77
CanNatRs	23.82	24.34	-0.52	-2.14	-5.43	-18.6	-0.58
ValeroEngy	61.71	63.79	-2.09	-3.27	-13.92	-18.4	4.87
EOG Res	50.78	52.57	-1.80	-3.41	-11.34	-18.2	6.65
AmerIntGrp	32.29	33.04	-0.75	-2.27	-7.15	-18.1	22.06
PNCFin	108.45	110.76	-2.31	-2.09	-22.68	-17.3	11.38
WellsFargo	27.62	27.97	-0.36	-1.27	-5.71	-17.1	18.13
Citigroup	50.77	52.25	-1.48	-2.83	-10.47	-17.1	21.14
Phillips66	74.40	77.26	-2.86	-3.70	-15.33	-17.1	4.75

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Jun 15	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	111.75	4.95	0.00	0.00	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	BBB-	Baa2	BBB-	108.00	2.88	0.02	-0.65	2.44
Brazil	04/26	6.00	BB-	Ba2	BB-	112.63	3.57	0.04	-0.37	3.13
Poland	04/26	3.25	A-	A2	A-	111.38	1.21	-0.04	-0.33	0.77
Turkey	04/26	4.25	-	B1	BB-	90.98	6.11	-0.05	-1.17	5.67
Mexico	05/26	11.50	BBB+	Baa1	BBB-	143.00	3.41	-0.31	-0.54	2.97
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	BBB-	Ba1	BBB	172.89	2.62	-0.03	-0.38	-
Brazil	02/47	5.63	BB-	Ba2	BB-	102.38	5.45	0.09	-0.34	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	02/22	1.88	BBB+	Baa1	BBB-	101.70	0.86	0.00	-1.20	0.65
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

Jun 15	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	125.78	3.04	-0.03	-0.55	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	112.80	3.12	0.05	-0.18	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	125.34	3.10	-0.03	-0.52	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	125.63	3.21	0.05	-0.62	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	126.22	3.20	0.05	-0.46	-
Barclays Bank plc	01/29	4.50	A	A1	A+	95.88	5.10	0.05	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	109.44	-0.12	-0.02	-0.06	-
Yen										
Mexico	06/26	1.09	BBB+	Baa1	BBB-	95.19	1.94	-0.05	0.04	1.46
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

INTEREST RATES: OFFICIAL

Jun 15	Rate	Current	Since	Last	Mnth Ago	Year Ago
US	Fed Funds	0.00-0.25	15-03-2020	1.00-1.25	1.50-1.75	1.25-1.50
US	Prime	4.75	30-10-2019	5.25	5.25	4.25
US	Discount	2.65	30-09-2019	2.75	2.75	1.75
Euro	Repo	0.00	16-03-2016	0.00	0.00	0.00
UK	Repo	0.10	19-03-2020	0.25	0.75	0.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00	0.00--0.10	0.00--0.10
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25	-1.25--0.25	-1.25--0.25

INTEREST RATES: MARKET

Jun 15 (Libor: Jun 12)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	0.06613	0.001	-0.859	0.010	0.19513	0.32088	0.43200	0.59338
Euro Libor	-0.56429	-0.001	-0.139	-0.001	-0.46443	-0.39229	-0.26014	-0.16786
£ Libor	0.05188	-0.001	-0.172	0.002	0.09450	0.19763	0.34800	0.51800
Swiss Fr Libor				-0.007	-0.77080	-0.66060	-0.58660	-0.45980
Yen Libor				-0.008	-0.09817	-0.05217	-0.01400	0.10733
Euro Euribor				-0.003	-0.48200	-0.36600	-0.19900	-0.12400
Sterling CDs				0.000	0.75000	0.83000	0.89500	
US$ CDs				-	-	-	-	
Euro CDs				-	-	-	-	

Jun 15	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	-0.74	-0.44	-0.69	-0.39	-0.67	-0.37	-0.57	-0.27	-0.49	-0.19	-0.46	-0.16
Sterling			0.45	0.55	0.70	0.80	0.78	0.88	0.82	0.97	0.89	1.04
Swiss Franc	-	-	-	-	-	-	-	-	-	-	-	-
Canadian Dollar	-	-	-	-	-	-	-	-	-	-	-	-
US Dollar	0.05	0.35	-0.03	0.27	0.04	0.34	0.13	0.43	0.20	0.50	0.32	0.62
Japanese Yen	-0.15	0.05	-0.20	0.00	-0.30	0.00	-0.20	0.10	-0.10	0.20	-0.05	0.25

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	210.79	-0.32	1.39	1.55	1.52	7.21
Corporates(£)	385.22	-0.26	1.12	2.36	2.57	6.67
Corporates($)	324.31	-0.15	1.15	4.09	1.15	4.09
Corporates(€)	234.62	0.05	1.25	-1.29	2.17	0.47
Eurozone Sov(€)	253.78	0.16	0.11	1.14	1.14	3.21
Gilts(£)	383.15	-0.32	-0.37	9.96	-0.12	12.16
Global Inflation-Lkd	290.21	-0.30	1.29	3.81	3.64	5.95
Markit iBoxx £ Non-Gilts	376.95	-0.22	0.79	2.89	1.98	6.46
Overall ($)	279.85	0.29	0.47	6.81	0.47	6.81
Overall(£)	377.39	-0.29	-0.04	7.66	0.48	10.32
Overall(€)	245.57	0.11	0.36	0.63	1.22	2.31
Treasuries ($)	264.25	0.63	0.08	9.11	0.08	9.11
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	605.07	-4.77	-	-	12.82	54.58
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	404.01	1.67	66.29	-136.24	743.22	330.61
Europe 5Y	70.59	0.07	9.94	-19.54	131.25	59.11
Japan 5Y	63.30	0.22	6.69	-18.50	188.33	56.61
Senior Financials 5Y	81.53	-0.53	12.29	-28.81	150.83	66.65
Markit CDX						
Emerging Markets 5Y	-	-	-	-	-	-
Nth Amer High Yld 5Y	486.22	-17.81	-	-	504.03	451.07
Nth Amer Inv Grade 5Y	78.41	-2.88	13.54	-17.15	150.81	64.87

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

VOLATILITY INDICES

	Jun 15	Day Chng	Prev	52 wk high	52 wk low
VIX	37.70	1.61	36.09	85.42	11.42
VXD	39.75	0.57	39.18	71.05	2.47
VXN	36.09	0.60	35.49	84.67	13.58
VDAX	40.47	-1.92	42.39	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility.
‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia		-	-	-	-	-	-	-
	11/22	2.25	104.83	0.25	0.00	-0.03	0.03	-0.79
Austria	10/25	1.20	109.06	-0.47	-0.02	-0.12	-0.07	-0.16
	02/47	1.50	128.91	0.36	0.01	-0.15	0.04	-0.42
Belgium	09/22	1.00	103.38	-0.51	-0.02	-0.06	-0.04	0.01
	06/47	1.60	123.22	0.66	0.00	-0.14	-0.05	-0.44
Canada	11/22	2.00	103.91	0.37	0.02	-0.03	-0.06	-1.57
	06/30	1.25	106.93	0.54	0.01	-0.20	-0.02	-
Denmark		-	-	-	-	-	-	-
	11/21	3.00	105.02	-0.53	-0.01	-0.05	-0.07	0.14
Finland	09/22	1.63	104.94	-0.55	-0.02	-0.03	0.04	-0.01
	09/29	0.50	106.45	-0.19	-0.02	-0.14	-0.08	-
France	10/22	2.25	106.74	-0.58	-0.02	-0.07	-0.05	-0.02
	05/26	0.50	105.37	-0.39	-0.03	-0.11	-0.08	-0.18
	05/48	2.00	135.49	0.61	-0.01	-0.16	-0.06	-0.42
Germany	09/22	1.50	104.89	-0.68	-0.02	-0.09	0.06	0.01
	02/26	0.50	106.65	-0.65	-0.02	-0.14	0.06	-0.15
	08/29	0.00	104.47	-0.48	-0.02	-0.17	0.06	-
	08/50	0.00	98.92	0.04	-0.01	-0.23	0.10	-
Greece	02/26	3.65	115.60	1.35	-0.05	-0.12	-1.03	-1.61
	02/26	3.65	115.60	1.35	-0.05	-0.12	-1.03	-1.61
Ireland	10/22	0.00	101.06	-0.45	-0.02	-0.07	-0.11	-0.05
	05/30	2.40	122.81	0.09	-0.03	-0.15	-0.12	-0.32
Italy	08/22	0.90	101.44	0.22	-0.05	-0.01	-0.50	-0.86
	02/25	0.35	98.22	0.74	-0.04	0.00	-0.55	-
	05/30	0.40	93.41	1.10	-0.03	0.08	-0.60	-
	03/48	3.45	121.78	2.37	-0.04	-0.01	-0.35	-0.88
Japan		-	-	-	-	-	-	-
	11/22	0.05	99.96	0.07	0.01	0.00	0.02	-
	06/26	0.10	101.30	-0.11	-0.01	-0.05	0.01	0.11
	09/47	0.80	107.66	0.50	0.01	-0.03	0.05	0.16
Netherlands	07/22	2.25	106.04	-0.63	-0.02	-0.08	0.03	0.01
	07/25	0.25	104.11	-0.55	-0.02	-0.11	0.02	-0.14
New Zealand		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Norway		-	-	-	-	-	-	-
	02/26	1.50	106.34	0.37	-0.02	-0.13	0.23	-0.95
Portugal	10/22	2.20	106.04	-0.37	-0.03	-0.02	-0.15	-0.19
	02/26	3.30	118.13	0.11	-0.03	0.02	-0.32	-0.11
Spain	10/22	0.45	101.79	-0.30	-0.03	0.00	-0.12	-0.07
	10/29	0.60	101.12	0.48	-0.03	0.03	-0.27	-
Sweden		-	-	-	-	-	-	-
	06/22	3.50	107.46	-0.29	-0.02	-0.04	0.02	0.29
Switzerland	05/22	2.00	105.24	-0.67	0.01	-0.02	0.01	0.15
	06/29	0.00	104.44	-0.48	-0.01	-0.15	0.08	-0.03
United Kingdom		-	-	-	-	-	-	-
	07/22	0.50	101.14	-0.04	0.01	-0.05	-0.03	-0.63
	09/25	2.00	110.75	-0.05	0.01	-0.09	-0.06	-0.72
	07/47	1.50	122.27	0.61	0.01	-0.19	0.02	-0.86
United States		-	-	-	-	-	-	-
	10/22	2.00	104.25	0.21	0.02	-0.05	0.02	-1.65
	05/26	1.63	106.91	0.44	0.04	-0.17	-0.02	-1.57
	11/47	2.75	129.90	1.43	0.05	-0.23	0.05	-1.20

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

GILTS: UK CASH MARKET

Jun 15	Price £	Red Yield	Change in Yield Day	Change in Yield Week	Change in Yield Month	Change in Yield Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Tr 2pc '20	100.20	0.03	0.00	-50.00	-70.00	-95.59	102.93	100.00	32.53
Tr 1.5pc '21	100.88	0.03	0.00	-40.00	-50.00	-94.83	101.58	100.78	32.84
Tr 4pc '22	106.96	-0.03	0.00	-400.00	50.00	-105.66	109.50	106.96	38.77
Tr 5pc '25	123.60	0.01	-200.00	-87.50	-83.33	-98.41	126.04	121.74	35.84
Tr 1.25pc '27	108.54	0.05	25.00	-66.67	-37.50	-93.33	108.81	103.72	30.03
Tr 4.25pc '32	146.22	0.31	0.00	-31.11	-8.82	-70.48	148.26	137.84	38.71
Tr 4.25pc '36	157.36	0.46	-2.13	-24.59	-4.17	-62.60	160.46	144.85	30.41
Tr 4.5pc '42	182.32	0.59	0.00	-21.33	0.00	-57.25	186.37	160.91	27.21
Tr 3.75pc '52	193.56	0.56	-1.75	-25.33	1.82	-59.42	198.36	160.72	24.10
Tr 4pc '60	225.46	0.50	-1.96	-27.54	4.17	-62.69	231.12	180.47	24.12

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	Jun 15	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	90.43	-0.01	2487.11	0.13	1.59	-0.01
2 5 - 10 Years	188.38	-0.02	3820.95	0.37	5.06	0.07
3 10 - 15 Years	229.04	0.01	4930.47	0.33	8.46	0.31
4 5 - 15 Years	197.62	-0.01	4093.95	0.38	6.05	0.19
5 Over 15 Years	417.24	0.08	6793.40	0.28	20.14	0.54
7 All stocks	198.66	0.03	4213.82	0.26	11.24	0.46

Index Linked	Jun 15	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	304.16	-0.06	0.06	-2.00	2495.66	0.06	-0.64
2 Over 5 years	847.71	0.37	2.31	9.10	6398.26	2.31	9.55
3 5-15 years	516.40	-0.05	0.61	1.91	4098.26	0.61	2.73
4 Over 15 years	1125.30	0.52	2.93	11.79	8275.78	2.93	12.10
5 All stocks	752.30	0.33	2.11	7.89	5780.14	2.11	8.46

Yield Indices	Jun 15	Jun 12	Yr ago		Jun 15	Jun 12	Yr ago
5 Yrs	-0.07	-0.08	0.54	20 Yrs	0.62	0.62	1.41
10 Yrs	0.23	0.23	0.91	45 Yrs	0.47	0.47	1.37
15 Yrs	0.51	0.51	1.25				

Real yield	inflation 0% Jun 15	inflation 0% Dur yrs	inflation 0% Previous	inflation 0% Yr ago	inflation 5% Jun 15	inflation 5% Dur yrs	inflation 5% Previous	inflation 5% Yr ago
Up to 5 yrs	-2.37	3.32	-2.38	-2.39	-2.66	3.32	-2.68	-2.71
Over 5 yrs	-2.32	24.72	-2.30	-1.93	-2.33	24.76	-2.32	-1.94
5-15 yrs	-2.67	9.97	-2.67	-2.34	-2.74	9.97	-2.75	-2.42
Over 15 yrs	-2.27	29.76	-2.26	-1.88	-2.28	29.76	-2.26	-1.89
All stocks	-2.32	22.84	-2.30	-1.93	-2.33	22.90	-2.32	-1.95

See FTSE website for more details www.ftse.com/products/indices/gilts

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Jun	35.11	-1.35	Corn♦	Jul	328.75	-1.50
Brent Crude Oil‡		39.21	0.21	Wheat♦	Jul	501.00	-0.25
RBOB Gasoline†	Jun	1.11	-0.02	Soybeans♦	Jul	867.75	-4.25
Heating Oil†		-	-	Soybeans Meal♦	Jul	287.90	-1.20
Natural Gas†	Jun	1.73	-0.01	Cocoa (ICE Liffe)⊕	Jul	1841.00	-27.00
Ethanol♦		-	-	Cocoa (ICE US)♥	Jul	2324.00	-55.00
Uranium†	Jun	25.00	0.00	Coffee(Robusta)⊕	Jul	1166.00	-15.00
Carbon Emissions‡		-	-	Coffee (Arabica)♥	Jul	93.70	-1.25
Diesel†		-	-	White Sugar⊕		382.40	-0.40
Base Metals (♦ LME 3 Months)				Sugar 11♥		11.83	-0.20
Aluminium		1585.00	9.00	Cotton♥	Jul	58.76	-1.00
Aluminium Alloy		1210.00	0.00	Orange Juice♥	Jul	122.20	-0.45
Copper		5730.00	-49.50	Palm Oil◆		-	-
Lead		1739.00	-13.00	Live Cattle◆	Jun	95.88	0.00
Nickel		12825.00	85.00	Feeder Cattle◆	Aug	134.88	-
Tin		16840.00	-155.00	Lean Hogs◆	Jul	51.63	0.00
Zinc		1993.50	4.50			% Chg	% Chg
Precious Metals (PM London Fix)					Jun 12	Month	Year
Gold		1733.50	-4.75				
Silver (US cents)		1762.50	-25.00	S&P GSCI Spt	313.37	9.83	-23.04
Platinum		822.00	2.00	DJ UBS Spot	63.33	2.65	-18.67
Palladium		1935.00	20.00	TR/CC CRB TR	141.77	6.98	-22.63
Bulk Commodities				M Lynch MLCX Ex. Rtn	231.14	-9.84	-33.05
Iron Ore		103.45	-1.90	UBS Bberg CMCI TR	11.88	8.47	-16.25
GlobalCOAL RB Index		57.00	0.75	LEBA EUA Carbon	23.51	-4.62	5.43
Baltic Dry Index		973.00	50.00	LEBA CER Carbon	0.24	26.32	0.00
				LEBA UK Power	3376.00	81.02	23.98

Sources: † NYMEX, ‡ ECX/ICE, ♦ CBOT, ⊕ ICE Liffe, ♥ ICE Futures, ◆ CME, ♦ LME/London Metal Exchange.* Latest prices, $ unless otherwise stated.

BONDS: INDEX-LINKED

	Price Jun 12	Yield Jun 12	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 21	105.62	0.401	0.411	0.53	5.18	86675.43	8
Fr 0.10%' 21	103.76	-0.683	-0.669	0.24	11.35	235195.49	14
Swe 0.25%' 22	109.73	-0.963	-0.947	0.37	31.92	196006.42	7
UK 1.875%' 22	111.18	-2.537	-2.582	-0.50	15.74	790557.35	28
UK 2.5%' 24	359.67	-2.541	-2.579	-0.87	6.82	790557.35	28
UK 2%' 35	303.88	-2.629	-2.667	-1.05	9.08	790557.35	28
US 0.625%' 21	101.37	-0.624	-0.608	0.37	35.84	1527821.73	42
US 3.625%' 28	133.05	-0.504	-0.555	0.40	16.78	1527821.73	42

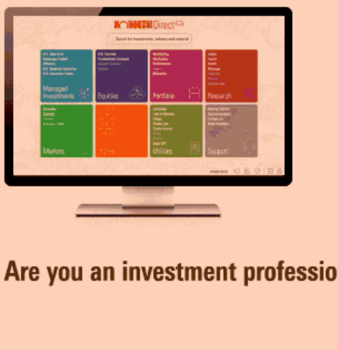
Representative stocks from each major market Source: Merill Lynch Global Bond Indices † Local currencies. ‡ Total market value. In line with market convention, for UK Gilts inflation factor is applied to price, for other markets it is applied to par amount.

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	-	-	-	Italy	1.10	1.58	-
Austria	-0.47	-	-	Japan	-	-	-
Belgium	0.66	-	-	Netherlands	-0.55	-	-
Canada	0.54	1.02	-	Norway	0.37	-	-
Denmark	-	-	-	Portugal	0.11	-	-
Finland	-0.19	0.28	-	Spain	0.48	0.95	-
France	0.61	-	-	Switzerland	-0.48	-0.01	-
Germany	-0.48	0.00	-	United Kingdom	-	-	-
Greece	1.35	-	-	United States	-	-	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

Data provided by Morningstar | www.morningstar.co.uk



A monumental struggle continues

Oku Ekpenyon has been fighting for two decades to have a slavery memorial erected in London. Andrew Jack speaks to her

While Black Lives Matter has mobilised large crowds across Britain in the past weeks calling for statues to fall — and sometimes taking matters into their own hands — Oku Ekpenyon is more focused on putting one up.

In the two decades since she launched a campaign to create a national memorial to slavery, she has overseen a design and gained planning permission for a prominent location. Yet so far, in what she sees as a reflection of official ambivalence to such a "contested history", she still has scant funding and no tangible result.

Her efforts began in the late 1990s, when as head of history at an inner London secondary school, she took a group of students on a tour of the Tower of London. "When we got back to class, a pupil of African origin asked me 'where is our history?'" she recalls. "We taught about Great Britain and the Industrial Revolution but slavery was something that happened elsewhere — 'over there.'"

With a group of friends, she launched Memorial 2007, a charity to erect a sculpture in memory of those who were enslaved and their descendants to coincide with the bicentenary of the 1807 Slave Trade Act, which abolished the trade in the British empire. "That date came and went," she says today. "I'm tired. I would never have dreamt I would still be working on this."

Her struggle reflects similar sluggish recognition by other countries involved in the slave trade. While projects backed by individuals and local authorities began some years earlier, it was only in 2015 that French president François Hollande inaugurated a memorial in Guadeloupe, and the United Nations unveiled a permanent memorial at its headquarters in New York.

In 2007, the UK opened the International Slavery Museum, which covers a single floor in Liverpool's Merseyside Maritime Museum. The same year, a permanent exhibition devoted to the subject was installed at the Museum of London Docklands (where a statue of the slave trader Robert Milligan was removed last week). The US opened its far bolder National Museum of African-American History and Culture in Washington DC in 2016; and Belgium's Royal Museum for Central Africa was "decolonised" and reopened only in 2018.

> 'The black community are also taxpayers. We are subsidising other memorials without having one of our own'

The UK does have a longer history of slavery memorials of sorts. The oldest, according to Historic England, is the Anti-Slavery Arch erected in Stroud, Gloucestershire, in 1834 by Henry Wyatt, a supporter of the local Anti-Slavery Society, at the entrance of the driveway to his country house. It commemorated the passage of the Slavery Abolition Act 1833, which made the ownership of slaves illegal in British colonies.

But like the statue of the abolitionist MP William Wilberforce in his native Hull, completed in 1884, or the Gothic-style Buxton Memorial to Thomas Fowell Buxton MP in Parliament Square, erected in London in 1865 and now in Victoria Tower Gardens, they celebrate British heroes and their actions in overturning slavery rather than remembering the pain of the system itself.

More than victims: maquette for Les Johnson's Memorial 2007, depicting not only the history of slavery but also the struggle of slaves to win freedom. Above right: inside the Memorial ACTE Slavery Museum in Pointe-à-Pitre, Guadeloupe — Alamy

An exception is the more conceptual Gilt of Cain, tucked away and dwarfed by surrounding buildings in Fen Court in the City of London. Created by sculptor Michael Visocchi and writer Lemn Sissay, it was inaugurated by Archbishop Desmond Tutu in 2008. With 17 granite pillars symbolising slaves, parishioners or sugar cane stalks in front of what could be a pulpit or an auctioneer's stand, it stands on the site of St Mary Woolnoth, where Rev John Newton, a slave-trader turned preacher and abolitionist, gave the sermon that inspired Wilberforce.

Visocchi says he considers figurative statues — like that of the freshly dethroned merchant and slaver Edward Colston in Bristol — to be outdated. "There is something potent about a figure cast in bronze or carved in stone. It takes us straight to a person and their attributes, be they good or bad. In abstract works, more time has to be given over by the viewer to absorb and respond to the artist's portrayal of the story."

Yet he stresses that his work, which integrates poems by Sissay, had to respond to a clearly framed commission to commemorate the 1807 Act. What the UK still lacks is an official, national memorial to the evils of slavery, a system integrally entangled with Britain's power and wealth, from the ownership and insurance of slave ships to the proceeds of sugar plantations and compensation paid to slave owners in 1833.

Oku Ekpenyon is seeking a more prominent location and broader sweep of history for her memorial, which she also describes as an educational project with supporting materials online. She dismisses as "insulting" an initial proposal for her charity to restore the Buxton Memorial, "which has no black name on it". After her request for a new memorial alongside the existing one was rejected, she eventually won agreement from The Royal Parks for a location in the south-east corner of Hyde Park.

Following a public competition, Les Johnson was selected as sculptor for the monument, which portrays six adults above reliefs on a plinth describing both slavery and its abolition. "I wanted to represent the many ways in which slavery permeated," Johnson says. "The statute had to communicate clearly to the public not only the history of slavery but also the struggle by the slaves themselves for their own freedom."

Despite support in principle for the project from Boris Johnson when he was Mayor of London, Ekpenyon says the government has repeatedly refused to help meet the £4m cost, while providing public funds for other memorials including the capital's planned Holocaust memorial. With planning permission lapsed last November, she is now seeking fresh funding before reapplying.

"The transatlantic slave trade can be seen as one of the greatest crimes against humanity," she says. "The voices of enslaved Africans are lost but their lives should never be forgotten. But it's easier for the establishment to take the moral high ground with someone else's atrocity."

Some may dispute the aesthetics of the design, the relative value of monuments compared with museums, modifications to school curricula and structural efforts to tackle institutional racism. Yet Ekpenyon sees her work as part of the response to current injustices, and points to a fresh surge of interest on the campaign's pages on the petition website Charge.org and on the crowdfunding site GoFundMe.com.

She also believes the government itself should take the lead with support. "This country is littered with memorials which tell its history," she says. "The black community are also taxpayers, we are subsidising all these other memorials without having one of our own."

Support in principle: Oku Ekpenyon in 2008 with Boris Johnson, who as Mayor of London backed her campaign
Ray Tang/Shutterstock

Gloomy show with sunny spells

CLASSICAL MUSIC

Live from Covent Garden
Royal Opera House, London
★★★☆☆

Richard Fairman

It is better to be late to the party than not to turn up at all. Since the start of the coronavirus lockdown, an increasing number of opera companies and orchestras have been building up live events online, so far mostly small in scale and without an audience present.

This mixed recital, live on the Royal Opera House's website and YouTube channel and free to view for 14 days, was the first in a new series from Covent Garden. Future events will carry a small charge to raise funds in straitened times.

The format, mixing solo singers and some ballet, is the same as for the Bavarian State Opera's Monday concert series. That is due to finish at the end of the month, when tenor Jonas Kaufmann and music director Kirill Petrenko appear in the 13th and final programme on June 29.

Like the Munich series, the Royal Opera is depending on performers who live locally. The three singers — soprano Louise Alder and tenor Toby Spence, both English, and Canadian baritone Gerald Finley — are familiar faces, and much of the music was homegrown, too.

On paper, it looked like a well-thought-out, proudly English programme of music. In practice, it delivered an overload of doom and gloom and a lot of it felt like hard work. The only items with some sunshine in them came at the beginning and end, when Alder sang with sparkle in Britten's song-cycle *On This Island* (though the on-screen texts failed to appear) and Morgana's showpiece aria from Handel's *Alcina*.

It did not help that an announcer had been hired as cheerleader-in-chief to gush over every performance as "stunning" and "brilliant". This might pep up the spirit at a children's party when the conjuror has muffed his tricks, but it set the teeth grating after songs such as Butterworth's mournful elegies from *A Shropshire Lad* about the loss of young lives.

Sparkle: soprano Louise Alder's performances were the highlights

Spence was in edgy voice for those. Finley, eloquent as ever, sang a gritty group of songs on animal themes by Mark-Anthony Turnage. Their encore, the favourite duet from Bizet's *Les Pêcheurs de perles*, did not go well. Accompanist Antonio Pappano, music director of the Royal Opera, brought Handel, Britten and Finzi alike vividly to life.

The highlight, barely five minutes long, was a new work, freshly conceived, in which Alder sang Strauss's "Morgen" visualised to new choreography by Wayne McGregor. Francesca Hayward and Cesar Corrales were the dancers, striving to bring a lot of movement to a song of extraordinary stillness. Most important, Strauss's music offered a generous embrace of emotion missing elsewhere.

Next Saturday's concert will feature Sarah Connolly and David Butt Philip in Mahler's *Das Lied von der Erde*, presumably in the version for chamber orchestra, observing the two-metre-distanced rule. Get the on-screen texts right, ditch the fawning compère, and this could be worth catching.

Free to view for 14 days at youtube.com/royaloperahouse

FT BIG READ. ASIAN DEFENCE

Donald Trump's dispute with South Korea reflects widening cracks in the US-built security order in the region. Some countries are building up their military capabilities while others could drift towards China.

By Kathrin Hille, Edward White, Primrose Riordan and John Reed

America's reliability under scrutiny

Donald Trump's changing global order: some of Washington's regional allies have doubts about US support that go well beyond the current administration. Below: onboard the Liaoning, China's first aircraft carrier

Main image: FT montage

The Black Lives Matter supporters who descended on the US embassy in Seoul over the past two weeks found another demonstration already taking place: scores of hardy activists who for months have protested over Donald Trump's demand that South Korea quintuple the amount it pays for hosting American troops.

"They are here just to sell their weapons to us," says one of the protesters. Banners held aloft by one group read: "US imperialism means 'I can't breathe'", in a reference to the protests that have rocked the US.

In a country whose alliance with the US is often dubbed a "relationship forged in blood" for its roots in the Korean war, there has always been a strain of anti-American sentiment, particularly among younger, leftwing groups. But the anger over the current US president has boiled over in the past year, prompting clashes between protesters and police, and driving such views further into the mainstream.

To force Seoul to pay more, Washington put thousands of South Koreans working on US bases on furlough in April, when the coronavirus pandemic was already hitting the economy hard. The measure was suspended after a stopgap deal agreed in early June but the damage in terms of public sentiment had been done.

> 'The US has woken up. A decade from now — it may take that long — we'll be in a much better position against China'

"Mr Trump taunted us, saying it was easier to get rent money from New Yorkers than getting money from the Koreans, and then he insulted us by calling us freeloaders," says Lieutenant-General Chun In-Bum, a retired South Korean special forces commander. "Now, it has become an emotional issue for the Koreans, which is very unfortunate."

Ever since Mr Trump was elected, Washington's long-term allies in Asia have worried about whether his transactional approach to foreign policy would lead to their interests being sidelined. But incidents such as the president's stand-off with South Korea have only magnified those concerns.

At a time when Washington's response to coronavirus has been heavily criticised and American society is engulfed in a debate about racial injustice, the dispute with Seoul reflects widening cracks in the entire US-built security order which has kept the peace in the region for the past 70 years — cracks that have been opened by the rapid rise of China but which have been exacerbated by a lack of US leadership.

Although South Korea is where Mr Trump's "America First" worldview has had the biggest impact, other Asia-Pacific allies such as Japan and Australia worry that the US, the regional hegemon for most of the past century, is less committed to and less capable of protecting them than in the past. With China using its economic and military clout in aggressive ways against its neighbours, that concern is turning into alarm.

"Several countries in Asia have concerns about aligning themselves with a US that seems less predictable and not reliable," says Bonnie Glaser at the Center for Strategic and International Studies, the US think-tank. "If Trump is voted out in [presidential elections in] November, there will be a sigh of relief across the region."

But Washington's allies have doubts about US support that go well beyond the Trump administration. "The reasons are our diplomatic attention span and our military capabilities," she says.

Tarnished armour

While Washington's ties with Europe and Nato have also frayed, including the potential withdrawal of many troops in Germany, the risks are greater in Asia, where global trade routes thread through dangerous flashpoints including North Korea, the Senkaku or Diaoyu Islands, the Taiwan Strait and the South China Sea, in addition to India's tensions with both China and Pakistan.

At the same time as allies are questioning Washington's reliability, there are new signs that the US is losing its long-held military supremacy. Beijing's growing number of intermediate-range missiles means that America's traditional way of projecting power in the region — through aircraft and ships deployed in big bases — has in some cases become too risky.

The US military demonstrated as much in April when it ended 16 years of continuous bomber presence in Guam. Now, they will operate from bases on the mainland US — a change the US Strategic Command says would make the force more resilient and unpredictable.

"It is an answer to the 'Guam killer', and it is the right decision," says a military official from a US ally in the region, referring to China's DF-26 Intermediate-Range missile which can hit Guam from bases in the country. "But of course the immediate political signal people here will pick up is that the US is weakened."

The same applies to aircraft carriers, which have been a key tool of US power projection. "They could become a dinosaur," says Yoichi Funabashi, chairman of the Asia Pacific Initiative, a Tokyo think-tank which organises exchanges between US and Japanese military officials. "Covid-19 has demonstrated how vulnerable US aircraft carriers are," he adds, stressing that when the outbreak of the virus forced all four carriers in the region to stay in port, no US carrier was available in the western Pacific.

Washington is not addressing the pandemic as effectively or as strongly as expected from an economic, military, and technological power, says Jay Batongbacal, director of the University of the Philippines' Institute for Maritime Affairs and Law of the Sea. "You can say that the armour has been tarnished, and everyone can see that."

The US rejects such criticism. "We continue to increase our interoperability, information-sharing, and access to enhance our capabilities and improve our co-ordination for competition," says Captain Mike Kafka, Indo-Pacific Command spokesman. He points to the arrival of 200 marines in Darwin, Australia, two weeks ago for a rotational force deployment.

Risk on the waters

America's allies in Asia do give the Trump administration credit for focusing on the military challenge that China now presents. Washington has identified Beijing as a strategic competitor and described it as a revisionist power seeking to "displace the US in the Indo-Pacific region".

The US military is now calling the Indo-Pacific its "priority theatre", and adjusting its posture to reflect the administration's focus on China. "In the military realm, the US has woken up," says Ms Glaser. "A decade from now — it may take that long — we'll be in a much better position against China."

In a report to Congress in April, Admiral Phil Davidson, commander of US forces in the Pacific, requested an additional $20bn over the next six years for a revamp he says is "designed to persuade potential adversaries that any pre-emptive military action will be extremely costly and likely [to] fail".

Among his priorities are an air defence ring to protect Guam and a string of anti-air and anti-ship missile deployments along the chain of islands which separates China from the western Pacific. The Indo-Pacific Command is also pushing to strengthen the alliances militarily. It wants to step up intelligence exchanges, build sensor networks to be shared by allies in the region, create joint command and control tools, and increase joint exercises.

> 'We fear that they are using countries as pawns, as bargaining chips. This kind of insecurity is very new'

Although the US Navy has long conducted so-called Freedom of Navigation Operations through the South China Sea, it has long faced pressure to adopt a more vigorous presence especially from the Philippines and Vietnam, the two countries that have most frequently clashed with Beijing over land features and resource exploration.

Pham Quang Minh, rector of the VNU University of Social Sciences and Humanities in Hanoi, says the US appears to react only when China becomes more assertive. The US "comes and goes" in Asia, he says, and adds, quoting a proverb popular in both China and Vietnam: "Distant water cannot put out a nearby fire".

The US appears to have changed its approach in the South China Sea in response to Beijing's pressure on fellow claimants of those disputed waters.

When China sent a geological survey vessel into Malaysia's exclusive economic zone near where a drillship was operating for state oil company Petronas in April, the US sailed naval ships through the area, conducted bomber patrols and a joint exercise with an Australian naval vessel. Security experts say this differed from earlier operations.

"People think we might now be willing to incur risk on the water to challenge Chinese behaviour, and our south-east Asian friends would welcome that," says a former US military official.

But behind the military presence, many of its Asian friends are worried about the shift in political attitudes in Washington — and, in particular, the ideas behind an America First strategy.

The White House's "Strategic Approach to the People's Republic of China", released three weeks ago, makes no more than passing mention of values shared with allies such as free trade or democracy.

"America used to be about the liberal international order. That is why we need to counter China — to protect our values and this order," says Mr Funabashi. "But we no longer see the US rally allies around these values — we fear that they are using countries as pawns, as bargaining chips. This kind of insecurity is very new and very disconcerting."

Japan, the largest host of US forces in Asia-Pacific, is watching Washington's fight with Seoul with dismay. Its own host nation support agreement is up for renegotiation this year.

Australia and Japan were particularly disappointed when the US dropped out of the Trans-Pacific Partnership, an Obama-era regional trade deal, which Canberra hoped would assist in building a balance to China's economic might.

Richard Maude, former deputy secretary in the Australian foreign affairs and trade department, says the US lost a "compelling economic narrative" when it dropped out of the TPP.

Forced to choose?

Some US partners also feel entrapped by Washington's ever-fiercer confrontation with China. Writing in Foreign Affairs magazine in June, Singapore's Prime Minister Lee Hsien-loong said competition between the US and China raised "profound questions".

He added: "Asian countries see the United States as a resident power that has vital interests in the region. At the same time, China is a reality on the doorstep. Asian countries do not want to be forced to choose between the two."

But with its efforts to decouple technology supply chains and its retreat from agreements on arms control, health and climate, many in the region see the US as demanding just that.

Natasha Kassam, a research fellow at the Lowy Institute in Sydney, says policymakers could be planning for a worst-case scenario where Washington's attitude becomes simply "you are with us or against us." In May, US secretary of state Mike Pompeo threatened to "disconnect" with Australia — in vague comments which suggested a cut to intelligence sharing — over the participation of a state government in China's Belt and Road strategic economic scheme. His statement was quickly modified by the US embassy in Australia. For most allies, a strong partnership with the US is still the preferred option. Vietnam, not an American military ally, is steadily expanding military exchanges with the US. The Philippines, where a longstanding US alliance has suffered from President Rodrigo Duterte's pursuit of closer ties with China, on June 1 aborted a decision to suspend an agreement regulating US visiting forces.

16

Years of continuous US bomber presence in Guam. Now heavy and stealth bombers will operate from bases on the mainland US

$20bn

Size of additional funds requested by US forces in the Pacific over the next six years, including an air defence ring to protect Guam and other deployments

But some regional powers are hedging against the risk of US retrenchment — by building relationships among each other and beyond. Japan is taking on more responsibility in regional security. Japan's Self-Defense Forces have participated in US aircraft carrier operations and partnered with naval ships from European countries and Canada to ensure maritime security.

In an attempt to provide the economic soft power leadership lacking from the US, Tokyo is countering China's Belt and Road Initiative with a programme for infrastructure investment in south-east and south Asia.

Scott Morrison, Australia's prime minister, signed a slew of bilateral agreements with India at a virtual summit with Prime Minister Narendra Modi this month. This follows a strategic partnership inked with Vietnam in 2018. Mr Maude says the ideal situation for Australia would be for a number of larger countries to balance China's influence, with India, Japan, Vietnam and Indonesia all playing a role.

Such a rise of "middle powers" stepping in to balance the region is the most benign scenario for the fallout from US retrenchment. But other scenarios are possible. Ms Glaser warns that there is a risk of the region splitting into a pro-US bloc and a pro-China bloc. Although Beijing's foreign policy doctrine does not officially approve of alliances, it cannot be discounted, she adds.

Alternatively, some countries traditionally aligned with the US could drift towards China if they conclude that Washington neither respects their economic interests nor protects their security.

In South Korea, that seems a real possibility. S Paul Choi at Seoul-based defence consultancy StratWays Group and a former strategist for the US military in South Korea, says the falling out with Washington makes some leftwing progressives who hold power question "what is the difference between the US basically strong-arming its ally, and economic coercion from China?"

Others believe that the South Korean public could also be receptive to Chinese advances as Beijing is seen as ever more powerful. "They are telling people they are going to be a new answer to a new world [. . .] a lot of people in Korea believe that," says Lt Gen Chun. "It is making the situation very dangerous."

Additional reporting by Song Jung-a and Kang Buseong

FINANCIAL TIMES
'Without fear and without favour'
TUESDAY 16 JUNE 2020

Threat to cut US troops harms western alliance

Germany and other European partners must raise defence spending

Donald Trump's former ambassador to Berlin has confirmed that the US plans to withdraw some troops from Germany. If the Trump administration were to carry out its threat, it would be a triple blow — to US-European relations, Nato and the wider idea of the west as an alliance of democracies committed to upholding shared values.

No one would benefit from such a move except the west's rivals and competitors, notably Russia and China — a point forcefully made by some of the US president's fellow Republicans in Congress. All the same, Germany and its European partners should treat the White House's threat as the latest serious sign that Europe must honour promises to make a bigger military contribution to the Atlantic alliance.

The threatened pullout is damaging partly because it emerged in media leaks rather than as a result of discussions between Washington and Berlin or among Nato governments. In this respect it testifies to the erratic nature of Mr Trump's foreign policy. It also illustrates the acute frictions in US-German relations that have accumulated over the past three years, frictions that owe much to Mr Trump's bad personal relationship with Chancellor Angela Merkel and to his jaundiced view of Germany as the embodiment of the liberal multilateralism of which he is so contemptuous.

Above all, the US threat is harmful because it will reinforce doubts in European capitals about the reliability of the US security umbrella over Europe. This risks sowing divisions among Nato's European member states. Some, including France and to an extent Germany, will see it as a good reason to press ahead with an autonomous EU defence and security policy. Others, such as the Baltic states and Poland, will want to bind themselves more tightly to Washington for fear of becoming vulnerable to Russian pressure. Still others may judge it in their interests to cultivate closer ties with Moscow and Beijing.

As outlined by former ambassador Richard Grenell, the proposed withdrawal would appear to involve just under 10,000 troops, leaving a 25,000-strong US presence in Germany. Bearing in mind that the US kept about 250,000 troops there in the 1980s, before the cold war's end, the latest proposed reduction might seem a small matter. Since Russia's annexation of Crimea in 2014 and intervention in eastern Ukraine, the US has actually led Nato in increasing the alliance's presence in Poland and the Baltic states. But this highlights the way in which the new US proposal appears targeted specifically at Germany, the country that all post-cold war US presidents before Mr Trump identified as Washington's key continental European ally.

German politicians will be tempted to play for time until November's US presidential election, in the hope Joe Biden, the Democratic nominee, will defeat Mr Trump and repair the damage to US-European relations. But even Mr Biden is sure to want a more vigorous European defence effort in return for US leadership of the alliance and support against Russian and Chinese pressure. Many European states, their budgets squeezed by the coronavirus pandemic, will face difficult choices.

However, the bottom line is that a majority of Nato's European members, including Germany, are not fulfilling their promise to raise annual defence spending to 2 per cent of gross domestic product. Too many display no real urgency about making defence policy a cornerstone of a more integrated Europe. Unless they up their game, the US-European alliance will doubtless come under further unwelcome strain.

Big Oil faces up to future beyond petroleum

The pandemic is set to accelerate the shift away from fossil fuels

Big Oil may soon not be so big, and have less to do with oil. The industry has faced an increasingly uncertain future as climate change has moved to the forefront of the public's consciousness. Investors, too, have stepped up their calls for action. Now the coronavirus pandemic, by radically cutting demand for oil and gas and giving governments the whip hand in directing the revival of their economies, looks likely to accelerate the long-term shift away from fossil fuels in many nations.

Bernard Looney, the new broom at the head of BP, is among the first of his peers to put an initial cost to this transition to a new reality. The group, he admitted yesterday, is sitting on some assets that may never be developed. BP will write down the value of its assets by as much as $17.5bn in the second quarter — some 20 per cent of its market capitalisation. BP, like many of its European rivals, was already trying to break with the past before Covid-19 struck but Mr Looney deserves credit for tackling the crisis head on. The company has lowered its long-term assumption of the price of Brent crude from $70 a barrel to $55 a barrel. On that basis some of BP's assets are no longer economic. At the same time, BP said it expects the price of carbon dioxide to be $100 a tonne, up from a previous estimate of $40.

These shifts reflect, in part, the downturn in economic activity in the wake of the lockdowns. But they also highlight the scale of the transition the industry faces as economies move to a low-carbon future. The reality is that the lowest-cost producers will survive the longest. Western oil majors, unlike their national oil company counterparts, face the added challenge of appeasing institutional investors who are themselves under pressure to burnish their green credentials. Investing in Big Oil, like Big Tobacco, has become much less acceptable. It is something that even large US players, such as ExxonMobil, which have been slower to embrace the energy transition, will have to accept. Some smaller companies will opt to go private. In the US, the value of energy companies on the S&P 500 has shrunk to less than 5 per cent of the total index from 11 per cent a decade ago.

Big Oil's predicament is an extreme example of the challenge facing every corporation as economies move to a low-carbon future. Reinvention — while keeping investors used to chunky dividends on board — remains the tricky part. BP's payout looks less secure following yesterday's write-down. The energy transition has already overturned the business models of traditional utilities. Among the majors, those that can are already investing in less polluting gas, if not renewables. Royal Dutch Shell has vowed to become the world's largest electricity company by the 2030s. Denmark's Orsted, previously Dong Energy and now an offshore wind farm specialist, has shown that successful transitions are possible.

The scale of the crisis should not detract from the fact that BP and its peers have many strings to their bow as they seek to plot new paths. They have some world-class engineering, construction, management and trading functions. These are skills that will endure long term and can be put to good use in a green recovery. Their expertise in managing gas infrastructure also puts many in strong positions for leading roles if governments decide to make hydrogen the low-carbon fuel of the future. Lord Browne, the executive who built the modern BP through a string of big acquisitions two decades ago, has long talked about the company's future lying "beyond petroleum". The future is getting closer.

Letters

Email: letters.editor@ft.com
Include daytime telephone number and full address
Corrections: corrections@ft.com
If you are not satisfied with the FT's response to your complaint, you can appeal
to the FT Editorial Complaints Commissioner: complaints.commissioner@ft.com

No easy solution to Covid-19 rental pressures

Since the Covid-19 economic shutdown began there has been an understandable spate of cries by tenants for rental reductions or abatements ("Unpaid rents pose a risk to the wider economy", The FT View, June 15). Simultaneously, "landlords" have demanded their contractual rents as they have mortgages and other obligations to pay. As a long time, now-retired US real estate investment manager I've noticed that there is little, if any, discussion of who these "landlords" ultimately are.

They are not rich guys in Greenwich, Connecticut. Most institutional quality property in the US and Europe is owned by pension funds and endowments.

Retirees and beneficiaries of those funds rely on investment returns from the property assets their investment managers (the rich guys in Greenwich) have acquired. The question of who should bear the Covid-19-driven losses is a lot more complex than the tenants, the investment managers, the mortgage holders (who are also often pension funds or endowments) — or the press — seem to realise.

It is very complex and there is no simple solution.

Ted Leary
Founder and President,
Crosswater Advisors,
Los Angeles, CA, US

Shovel-ready projects do little for productivity crisis

The British government is calling for shovel-ready projects (Report, June 12). But that will just produce more roads, less green space. Spatula-ready, software-ready projects would be a wiser investment. Britain's standing in science is declining, after years of under-investment.

For a decade, vice-chancellors, oblivious to their universities' fall in global ranking, have spent money on sports grounds and fancy shops, not on skilled people.

Now, as they cope with Covid-19, the UK's universities have instituted fierce hiring freezes on young staff. Britain has a deep productivity problem. To reverse that, ideas are needed. Offering scientists shovels, not lab benches, is suicidal for the nation.

It's fine if you want to build Stonehenge, but investing in young scientists would be a quicker, smarter choice for the 21st century.

Euan Nisbet
Egham, Surrey, UK

Shipping woes test logic of global supply chains

Zhong Sheng's letter (Navigating shipping's path to sustainability, June 11) on the effects of the pandemic reverberating across the shipping industry gives prominence to a subject not often discussed.

It remains unclear how emissions from empty or half-empty ships will cause any greater environmental harm than when sailing fully laden.

However, there is merit to the notion that the implications of Covid-19 may lead to greater spare transport capacity, especially for the seaborne transportation of finished goods. This can further question the viability of global supply chains and in a larger sense of globalisation itself.

As Dr Sheng correctly puts it, shipping can only react to demand-side signals with the supply of tonnage adjusting slowly and with a considerable time-lag.

All the same, with a ship lifecycle of about 20 years, it is erroneous to suggest that the International Maritime Organization should implement so-called "market-measures" in the wake of an unpleasant, albeit temporary, situation.

The current IMO approach of focusing on the sustainability of the asset that has resulted in legislation regulating the handling and discharge of ballast water and the burning of low-sulphur oil is instead a pragmatic one and one of long-term focus.

Dionysios Tsilioris
Member of the Institute of Chartered Shipbrokers,
Athens, Greece

Stranded seafarers also need emotional support

One key aspect of currently having 400,000 seafarers stranded at sea or at home is missing from your welcome front page article (Report June 8). It cites the well-founded concerns over seafarer fatigue and safety but omits to mention the increasing mental health issues which contribute to these concerns, as well as to depression, loneliness and suicide.

Seafarers don't go home every night to help with the homework and put the kids to bed; they're busy delivering all we depend upon for our daily living, most notably our food and fuel.

The simple things can make all the difference to seafarers — a friendly face, a chat, a bar of chocolate.

Other things have more significance — impartial and confidential help with an onboard issue or, in particular, top-up cards and internet provision to contact home. Stella Maris, the world's largest international ship-visiting charity, is doing all this and much more to support seafarers around the globe in whatever socially-distanced capacity we can.

But let's get them home.

Ian Stokes
Head of Corporate Engagement and Partnerships, Stella Maris,
London, SW1, UK

Central bank intervention and equity markets

Following the latest mindless ramp in equity prices by the US Federal Reserve and the Bank of England, it occurs to me that had a private citizen engaged in similar activities over the last dozen years they would have been liable to criminal sanctions for market manipulation and the mis-selling of investments to private individuals.

Martin Allen
London N1, UK

Call to rethink the regulation of Big Tech

Mark Zuckerberg needs help in handling his oversized influence over the terms of political debate on Facebook (Report, June 12). France's heavy-handed regulatory solution, while well-intentioned, will not do the job and would be condemned by many if applied in more autocratic countries ("New social media law will ensnare citizens alongside Big Tech", Opinion, June 15).

Best would be the civil governance of what are essentially public interest decisions, removing editorial rights from both commercial and state hands. Such multi-stakeholder governance approaches can work, from Reuters' "Trust Principles" and associated governance arrangements, to the governance of for-purpose B Corporations and the many successful examples of ombudsperson and arbitration platforms, often operating in complex, high-stakes contexts.

With Big Tech on the rise, such a new piece of global governance is much needed. It would not stop disputes over rights and wrongs, which can be as healthy as they are at times worrying.

But it would remove the right to decide from the powers that be, including the likes of Mr Zuckerberg, for which they should be eternally thankful.

Simon Zadek
Amsterdam, The Netherlands

Give councils the last word on controversial statues

Eva Kaluzynska ("Respond to the outcry over statues with imaginative solutions", June 12) makes a useful suggestion for disposing of redundant statues but doesn't address the question of how to decide which ones to remove and which to keep.

May I suggest that this should be a decision for local authorities (albeit with special arrangements for Westminster, Edinburgh, Cardiff or Belfast). Groups who are offended by a particular statue should be required to present a petition to the local council containing the signatures of, say, 10 per cent of registered voters. If the group were to succeed in obtaining the required number of signatures, then the council would be obliged to hold a local referendum in which both sides of the argument would have an opportunity to make their case.

Everyone would be expected to respect the result in accordance with the democratic norms to which we are accustomed.

The same process could be used for changing controversial street names or names of buildings.

Michael Williams
Letchworth, Hertfordshire. UK

Yorkshire Sculpture Park could provide the model

Simon Schama suggests that statues be removed from town centres and placed in museums (Opinion, FT Weekend, June 13). I would suggest that instead of parking these monuments in museums where they are likely to be outsized and out of place, an area of land be designated as a National Statue Park. The Yorkshire Sculpture Park and the National Arboretum in Derbyshire already receive many thousands of visitors each year, bringing much needed tourism.

A National Statue Park would not only give context to significant figures in British history without the charge of glorifying their deeds, it could also bring important investment to the region in which it was sited.

As Bristol has been instrumental in beginning this debate, might I suggest the south-west as a possibility?

Reverend Toby Hole
Sheffield, Yorkshire, UK

Measuring a company's impact on society

I did enjoy reading the letter from Padmesh Shukla, head of investment at the TFL Pension Fund ("Private markets compare well to the PLC circus", June 10). I agree that private markets are neither short term nor opaque; indeed private capital market managers are encouraged to report clearly by their investors (the leaders of whom form a committee with which the manager must consult) over disclosures around performance and all ESG matters. ESG reporting is now moving towards full impact reporting.

I led work with the London School of Economics on publishing the External Rate of Return, a platform which invites all companies, small and large, private or public, to explain their impact on the companies they own, their suppliers, customers, the local and national economy and the environment. These five vectors have around 35 measures within them which, when reported on regularly, allow everyone involved with the company to understand its complete relationship with broader society.

The external rate of return was adopted by the BBC and has become the backbone to their public purpose report, which is now published annually. It has also been adopted by companies, particularly private equity.

There is a virtuous circle beginning to exist between the way in which a company is run, its ability to attract capital and its service (or not) to the broader community and the planet.

We have reached a moment in time, only to be accelerated by the current crisis, where a company's social, economic and environmental footprint can be measured. Within the private capital and impact community worldwide, private investors have led this effort while, as Mr Shukla says, "the public equity circus continues".

Mark Florman
CEO, Time Partners,
Chairman, Listed Private Capital Association, London SW1, UK

Correction

- The 30-year bond issued by Morgan Stanley at the height of the market turmoil in March was a $2bn issue, not $5.5bn as wrongly stated in an article on June 13.

Indians turn to ayurveda to ward off coronavirus

Notebook

by Stephanie Findlay

Looking at my phone in the morning has become an exercise in anxiety management as India's coronavirus caseload mushrooms. Keeping my inner doomsayer at bay is becoming more difficult as the country of 1.4bn people wholeheartedly embraces the herd immunity model. Contact tracing appears to be flagging, while testing remains limited at a time when hospitals are reporting that they are running out of beds for new patients.

I'm not alone in my apprehension. With India overtaking the UK to have the fourth-highest number of Covid-19 infections globally, 56 per cent of people are feeling anxious and worried, according to a June poll. Faced with a rising death toll and limited treatment options, Indians are turning to alternative medicine to prepare themselves for inevitable exposure.

In some ways, the Hindu nationalist government of Prime Minister Narendra Modi has primed them for the shift. Shortly after taking office in 2014, Mr Modi formed the new ministry of Ayush — ayurveda, yoga and naturopathy, unani, siddha and homeopathy — to prioritise the development of traditional medicine.

Since then, he has worked to reclaim yoga from Lululemon-clad westerners and become a champion of "traditional ways", aiming to set up an ayurveda hospital in each district to promote the holistic practice. He leads by example, saying he has practised the ministry's recommendations for years, such as drinking only hot water.

Ministry-endorsed Covid-19 immunity boosters include daily meditation, oil pulling therapy (swishing a tablespoon of sesame or coconut oil around your mouth for two minutes) and drinking "golden milk" — half a teaspoon of turmeric powder stirred into 150ml hot milk.

Other politicians from the ruling Bharatiya Janata party have reportedly prescribed cow dung and urine for Covid-19, but that is probably best interpreted as a sign of the rise of Hindu nationalists, who see cows as semi-divine.

One of the ministry's more controversial recommendations has been to use Arsenicum album 30, a dilution of the toxic element arsenic, as a preventive treatment for coronavirus, despite little scientific evidence that it works. Dr Batra's Homeopathy, one of India's fastest growing homeopathy chains, has distributed the treatment to police officers working to contain infections in the hotspot of Mumbai, according to Akshay Batra, vice-chairperson and managing director.

"From the 10m doses that we've handed out we don't have a single case of coronavirus yet," says Mr Batra. "That's a very positive development."

Indians have embraced homeopathy during the coronavirus outbreak, he says. "Since there is no treatment for Covid, immunity is the buzzword." After making the initial painful shift from consultations in clinics to telemedicine, Mr Batra says that business is back to pre-lockdown levels and the company is emerging stronger from the crisis.

To many practitioners of traditional medicine, this is an opportunity for a renaissance, a chance to validate India's cultural supremacy over the US and China. Ayurvedic practitioner Prithu Nath says some doctors at hospitals in the north-west state of Punjab are testing his Covid-19 remedy. The five-day programme, which features gargling with pink salt four times a day and eating aged garlic, has been passed down from an original recipe first used during the Spanish flu pandemic a century ago.

"There is so much confusion, authorities have not come to a consensus on treatment", says Mr Nath, "and they are not concentrating on our first line of defence, which is our immune system." Most of his advice is straightforward: avoid processed foods, eat less sugar, take more exercise. "There is so much stress, people need to calm down," he says. "Now is the time you have to go back to the old system."

Romanticising the past can be dangerous. Ultimately, an estimated 14m Indians died from Spanish Flu, representing a considerable share of the worldwide mortalities. Surely that is a scenario to avoid, not repeat. But in a country where people have been left to fend for themselves against the virus, I understand the need to find solace in a situation that seems out of control. Pass me the golden milk.

stephanie.findlay@ft.com

Opinion

The fight for free trade cannot be fudged

BRITAIN

Robert Shrimsley

Free trade requires trade-offs. Who knew? The answer, it seems, is not enough of the UK's ruling Conservative party. Shortly before the last election, one cabinet minister noted ominously that decades of delegating trade policy to the EU had left British politicians unready for the scale of the fights new agreements provoke. "We've been sheltered for so long. I don't think everyone realises what a hot political issue this is going to be."

As Tories start to face those hard choices outside the protection of a large trading bloc, the early signs are worrying for free traders. In February, Boris Johnson, the prime minister, pledged to be a force for free trade in a speech flush with high-minded rhetoric. Free trade was to be the Brexit dividend. The US, along with Japan, Australia and New Zealand are the first targets, followed perhaps by membership of the Trans-Pacific Partnership. That even a US trade deal would add less than 0.2 per cent to UK gross domestic product over 15 years, compared with a 5 per cent hit from the loss of EU trade, was moot. At times it seems as if the win of getting a deal matters more than its contents.

But deals require the courage to compromise for one's convictions and Mr Johnson, often the least radical member of this radical government's leaders, can be surprisingly tremulous. The trade-offs also feed into a key Tory tension between economic and social priorities. Brexit was essentially the placing of political values over economic ones. Brexit-backing free traders now find arguments for protectionism draped in social values. There are ministers ready to make the case for free trade — most obviously Liz Truss, the trade secretary, and Rishi Sunak, the chancellor. But they faced push-back from colleagues including past and present environment secretaries Michael Gove and George Eustice, who resist diluting animal welfare or environmental standards. Mr Johnson agrees with both sides.

And this is the problem. Leaving aside the contradiction of espousing free trade while restricting it with your largest market, the party is full of "free trade but"-ers. Some believe in free trade but worry about farmers and environmental protections; others want an EU deal but fret about Britain's tiny fishing industry. Still more want state support to build national resilience. Each has a point, but the combined effect will dilute or even threaten any agreement.

Deals require hard choices and the courage to compromise, but the early signs are worrying

The most heated fight is over agriculture. Last month, 20 Tory MPs rebelled in an effort to create extra protections for farmers. But having drawn a red line around the NHS in any US deal, the UK is needs to give ground on agriculture.

The headline cases are UK bans on chemical-washed chicken and hormone treated beef. Ms Truss and Mr Eustice have promised to maintain food safety standards. But in truth these are not food safety issues. The chemical wash, for example, is to remove the hygiene risks of lower animal welfare standards. The real issue is economic protection for higher standards. Some Tories fear ministers are operating a bait and switch, focusing all attention on these issues while agreeing to lesser protections in less noticed areas, such as antimicrobial resistant drugs and pesticides. They also fear treating the headline issues as food safety concerns opens the door to a later reclassification.

The UK's answer is a dual-tariff system, which opens markets to US imports but offers lower duties to goods that meet higher standards. This leaves the choice to consumers, but market solutions are not regulations so the dual tariff must weaken animal welfare and environmental protections. There are other trade-offs. Data service liberalisation may mean accepting data on citizens will not be stored in the UK and even a pared down EU free trade deal may founder on protection for the fishing industry.

Then there is Project Defend, the initiative to build UK resilience of supply initially in about 30 key areas ranging from transformers to paracetamol. Tied to it is the rising anxiety over dependence on Chinese imports and solutions, including tougher rules on foreign takeovers, onshoring and tie-ups with allies. The danger is not the tight focus on resilience. Ministers and officials know the trade risk of overreach. But it all bolsters a protectionist mindset.

These issues will intensify. It is an easy job to scare people against trade deals. Private polling will often support protectionism and Tory MPs are already in a nervous state. If Mr Johnson is to live up to his rhetoric, he will have to make the case for his cause and its difficult trade-offs. This is no longer an issue that can be slipped past the public. Of late, he has looked less like a man with a stomach for hard choices, but the fight for free trade is not for the faint-hearted.

robert.shrimsley@ft.com

A very Swedish sort of failure

GLOBAL AFFAIRS

Gideon Rachman

There is something ghoulish about the way the rest of the world is watching Sweden's experience with the coronavirus pandemic.

The country's refusal to go for a hard lockdown has seen it hailed by right-wing populists around the world. By contrast, the liberal left in much of Europe and America seems almost eager to hear that the experiment has ended in disaster and despair.

Inevitably, the actual situation in Sweden stubbornly refuses to conform to the ideological biases of the outside world. On balance, the pessimists seem to be winning the argument. But this model for tackling coronavirus has very little to do with libertarianism or right-wing populism. Instead, it looks like a very Swedish sort of failure — linked to a left-leaning country's excessive faith in its own scientific prowess and bureaucratic elite.

It is not that Stockholm has simply ignored Covid-19. Gatherings of more than 50 people have been banned and new health facilities built. Swedes were advised to practice social distancing and many have chosen to work from home. But the policy has generally rested on recommendations, rather than law. Schools, shops, restaurants and gyms have stayed open. The country's goal was to keep society and the economy running, while preventing the health service from being overwhelmed, and moving rapidly towards "herd immunity".

In some respects, Sweden has benefited from its more relaxed approach. The country's children have not had to suffer the consequences of school closures. But the export-oriented economy has not been spared a sharp contraction. And the Covid-19 death rate looks shockingly high compared with neighbours that went for a tougher lockdown. Sweden's per capita death rate is roughly 10 times the level of neighbouring Norway. There have even been days, in recent weeks, when the death rate per head has been the highest in the world.

It is true that Sweden's overall mortality rate is still lower than some other countries that have instituted much stricter lockdowns — notably Britain. But there is less evidence that Sweden has succeeded in "flattening the curve" of infection. Swedes have also been stung to see Nordic neighbours — such as Denmark and Finland — opening their borders to each other, but not to Sweden.

Faced with these signs of failure, domestic criticism of Stockholm's Covid-19 policy is becoming louder. One longstanding critic is Lena Einhorn, a virologist and prominent intellectual. Dr Einhorn told a recent seminar, held by Cambridge university's Centre for Geopolitics, that she regards her country's policy as "madness" — and very much at odds with its normal approach of "taking very good care of its citizens". She added: "It has thrown a wrench into my whole concept of a stable, sane Sweden."

Dr Einhorn fears that the main gainers from a policy failure over Covid-19 will be the Sweden Democrats, a far-right opposition party with roots in the neo-Nazi movement. But the fact that it is the far-right that has led the criticism illustrates how difficult it is to fit Sweden's story into a global narrative that tries to pit "irresponsible" right-wing populists against "responsible" centrist governments that "follow the science". The Swedish prime minister, Stefan Lofven, is a Social Democrat. And one distinctive aspect of the country's approach is the way the policy has been formed and presented by scientists and technocrats — with Anders Tegnell, the country's chief epidemiologist, becoming both the public face of Sweden's approach and something of a national icon.

Stockholm's excessive faith in its scientific prowess and bureaucratic elite shaped its virus policy

Paradoxically, it may be Sweden's very success as a nation that led to its apparent failure over the pandemic. A self-image as a country that is superrational and modern means that Sweden is confident and cohesive enough not to follow the international consensus. Instead, policymakers have chosen to trust their own judgment. But Swedish self-confidence may have shaded into an arrogance about the country's supposedly superior rationality, which then led to policy errors.

Nicholas Aylott, a professor of politics at Södertörn University in Stockholm, draws a parallel between Sweden's pandemic policies and its handling of the refugee crisis in 2015. In both cases, the country stood out from the international crowd because of its distinctive and radical approach. But, in both cases, the Swedish exception did not work out very well.

For a long period, Sweden offered automatic asylum to all Syrians — a policy more liberal even than Germany's. Ironically, Sweden's ultra-permissive policy attracted scorn from many of the same American rightwingers now praising it over Covid-19. Sweden's distinctive refugee policy was initially a source of national pride. But, eventually, the government conceded that it was unsustainable, and changed course.

Something similar may now be happening over coronavirus. As Mr Aylott sees it: "In Sweden, there is often near national consensus for a long time, then suddenly a brick falls out of the wall and everything changes."

With Covid-19 — as with refugees — there was nothing malicious about the country's decision to follow its own path. Sweden's failure — if that is what we are witnessing — should be a source of sadness, rather than schadenfreude.

gideon.rachman@ft.com

China is setting itself up to win cold war 2.0

TECHNOLOGY

John Thornhill

The cold war between the US and the Soviet Union was a titanic 45-year ideological, economic and technological struggle that took the world to the brink of nuclear Armageddon, touched almost every country and stretched to the moon.

The cold war developing between the US and China is a very different kind of competition in a very different era, but may be no less dangerous and consequential. For the US, China will be a far more formidable foe, given its demographic weight and technological ambition.

The struggle will certainly be more complex and multi-dimensional. While the US and the Soviet Union were hermetically separate, the US and China are intimately entangled in economic, technological and cultural terms.

China was the US's biggest goods trading partner in 2018. TikTok, the video sharing network owned by China's ByteDance, is currently the world's most downloaded non-gaming app, with a big presence in the US. Some 369,548 Chinese students were enrolled in US higher education in 2019. President Xi Jinping's daughter graduated from Harvard university in 2014.

The superpower rivalry between the US and China has also acquired a different, and possibly decisive, new dimension: cyber. If cold war 1.0 revolved around military hardware and the threat of nuclear annihilation, then cold war 2.0 is more about civil software and technological innovation.

The internet is emerging as a technology of control, not just communication. Whoever runs the global Internet of Things, connecting billions of devices, will have a geostrategic advantage. And China is strengthening its position: the row over the use of Huawei equipment in the 5G networks of several western countries is a taste of things to come.

It is tempting to believe that the bellicose talk between the US and China results from the personal politics of two atypical and disruptive national leaders, US President Donald Trump and Mr Xi, and will not survive their passing.

But Orville Schell, one of America's leading China scholars, takes a bleaker view. He argues that the US policy of engagement towards China that endured for almost 50 years through eight Republican and Democratic pres-idential administrations has died. The best that can be hoped for, he writes, is that the US and China remain in the foothills of a new cold war, rather than ascending its peaks.

Dispute over the use of Huawei equipment in 5G networks is a taste of things to come

In Mr Schell's view, US engagement was based on two assumptions, which have both failed the test of time. First, Washington was convinced that increased prosperity and greater interaction with the world would lead to China's democratisation. Later, it believed the internet would further accelerate societal freedom. In 2000 Bill Clinton, then president, suggested that China's attempts to crack down on the internet would be "like trying to nail jello to the wall".

The world looks different today. China has emerged as the world's second-biggest economy without loosening the Communist party's grip on power. And the Great Firewall of China has blocked off the global internet, while enabling Beijing to mess around in others' cyber backyards. Last week, Twitter culled 23,750 accounts that it claimed were part of a co-ordinated propaganda campaign run by China. "We are in a competition that need not be a shooting war to be just as dangerous for us," Stanley McChrystal, the former US general, warned last week.

Robert Atkinson, president of the Information Technology and Innovation Foundation, a Washington-based think-tank, argues that China has already overtaken the US in some advanced industries and is investing heavily to achieve technological supremacy. "China is becoming more powerful technologically and can easily surpass the US if we do not act," he says.

To respond, Mr Atkinson argues the US urgently needs to develop a national industrial strategy. The widespread belief that free markets, property rights and entrepreneurial spirit will be enough to guarantee success is "ahistorical and naive".

At the height of the cold war in 1963, the US federal government spent more on research and development than the rest of the world's public and private sectors combined, Mr Atkinson says. Today, it spends less on R&D as a proportion of gross domestic product than it did in 1955.

The irony is that China's leaders may have learnt more from American history and its victory in the first cold war than has the US political class. Technological innovation is a national security issue.

John.thornhill@ft.com

Rhodes must fall, but who should stand in his place?

Ann Olivarius

In 2003, Nelson Mandela addressed a rapt audience in Cape Town to inaugurate a new programme administered by the Rhodes Trust at Oxford. The annual initiative would provide university tuition, leadership development and other supports for a cohort of young African changemakers.

The Mandela Rhodes Scholarship was controversial. But the anti-apartheid revolutionary, who became South Africa's first black president, hoped that associating his name with a champion of racist imperialism would help southern Africa heal. At the time I agreed and, in my capacity as a lawyer, advised him as much. I was less convinced about letting Cecil Rhodes' statue remain in its place above the gate to Oriel College, Oxford, but I concluded that it was better left in place to provoke a conversation about Rhodes' conduct and legacy.

Having tried to listen and learn from the global Black Lives Matter movement, I have changed my mind. I now think Oxford should dethrone Rhodes and install two rather different figures. One male, one female, both black, they would stand for an Oxford that still honours its legacy but also welcomes, along with so many people marching and kneeling today, a diverse future.

Mandela was not the type of man Rhodes expected to see at the helm of a nation. Yet that was why he wanted his name linked with the arch imperialist. Unveiling the foundation in South Africa at the centenary of the Rhodes Scholarship, he welcomed the "ghost" of Rhodes and the other architects of apartheid. To banish these phantoms, he thought, was to deny history. Better they should haunt us. Better they remind us of the past so we can walk together towards a more just society.

We have barely begun the work of escaping the legacy of colonialism and racism

Many years later, despite Mandela's infectious optimism, the work of escaping the legacy of colonialism and racism has barely begun. It is time for Rhodes to go. But who should now stand in his place? I have two suggestions.

When I was at Oxford, one of the first women to be a Rhodes scholar, I became friends with a brave Zambian woman, Lucy Banda-Sichone, a Rhodes Scholar who, like Mandela, was a boundless whirlwind for justice. Upon completing her studies, Lucy returned to Zambia — formerly Northern Rhodesia — as a lawyer, journalist and politician of sorts, enduring appalling sexism. She fiercely took to task any infringement on civil rights, incurring the wrath of a corrupt, postcolonial elite. Once, she fled into hiding for fear of her life.

When her husband died, his kin claimed all of her property. Being left destitute, she wrote to the principal of Somerville College, "has given me the idea of what I want to do . . . start a legal clinic for widows and orphans." She died young, of Aids, which in its lethality in Africa was another form of injustice. I commissioned her portrait to hang in Rhodes House at Oxford — the first woman ever to grace a building that, for decades, enshrined only white men.

Beside her should stand Alain LeRoy Locke, the first African American elected to a Rhodes Scholarship, in 1907. Outraged scholars from the American South demanded his award be revoked. They failed. But they made his life miserable. When he enrolled at Hertford College in Oxford, some of his countrymen requested a transfer. At a lunch hosted by the US embassy, no scholar would sit with him. Locke went on to a brilliant career as a professor of philosophy at Howard University and was a pivotal figure in the Harlem Renaissance. Almost 60 years would pass before another African American was elected to the scholarship.

We like to erect memorials to commemorate who we are as communities — our ideals and dreams. That way the world seems permanent, concrete, certain. But each generation rewrites the world (partially). The current one — including me, at the age of 65 — has spoken. Oxford should listen.

The writer became a Rhodes Scholar in 1978 and runs law firm McAllister Olivarius, which specialises in discrimination cases

Lex.

Twitter: @FTLex

BP/stranded assets: the green file

BP flaunts the colour green in its corporate logos. A hopeful outlook has instead depended on brown stuff: oil. Yesterday the energy giant slashed optimistic expectations for crude, writing down up to $17.5bn of its asset base this quarter. Because of climate change, BP believes a portion of its assets are "stranded assets" — hydrocarbons that can never be burnt.

Bernard Looney, the new boss at BP, is more upfront than some peers in stating that meeting climate change targets is triggering financial charges. There will be plenty more where these ones came from. Earlier this year, Lex estimated big energy groups will have to write off $900bn at current prices.

Dealing with this will be the job of a new generation of energy industry bosses, of which Mr Looney is an early example. The long-term impact on oil prices can only be bad. The medium-term effect is debatable. Bob Dudley, Mr Looney's predecessor at BP, thought oil prices might even soar.

BP had been forecasting the highest long-run prices for Brent crude among most European peers. It was touting $90 a barrel by 2025. The oil major has cut that by a third, taking it to the bottom of its peer group, according to Barclays.

Coronavirus has trashed demand for oil. Brent prices averaged more than $60 a barrel last year. Crude is down by half this year so far.

It is highly likely that BP would have needed to recognise the weak outlook in its accounts by the end of 2020. It has done so earlier.

The charges do not affect operating cash flow. But they do hit the balance sheet, erode shareholders' equity and increase gearing. BP is worried about its credit rating. Here what really matters is net debt relative to operating cash flow.

The green that counts most to shareholders is money paid in dividends. They are anxious about the sustainability of the payout, as shares yielding 10 per cent show. Last year dividends absorbed more than $7bn of free cash flow, of which there was plenty. This year, there is no a surfeit.

Given BP's new outlook for crude prices, it can hardly borrow to meet the payout. The group will struggle to hold its dividend as the year progresses.

The broader picture is that oil businesses that are failing to switch into renewables are destined for a slow run-off.

SoftBank/Credit Suisse: funnel vision

Investing in SoftBank is an education. It may not make you any money. It will teach you about some more obscure aspects of finance. One module concerns the ways a large investment business can funnel an extra dollop of capital into businesses it already backs.

The Japanese tech group has poured more than $500m into Credit Suisse's supply chain finance funds, which are worth $7.5bn. These invest in turn in the debt of businesses that include start-ups supported by the Vision Fund, a SoftBank satellite. The Swiss bank's asset management division does so through Greensill Capital.

This London-based financier helps businesses borrow against anticipated payments from customers. Greensill is itself backed by the Vision Fund.

The potential conflict of interest is obvious. Vision Fund support might reduce the independence of Greensill's investment decisions. Credit Suisse faces questions of impartiality too, given the close relationship of its asset management division with Greensill as a deal finder in supply chain finance.

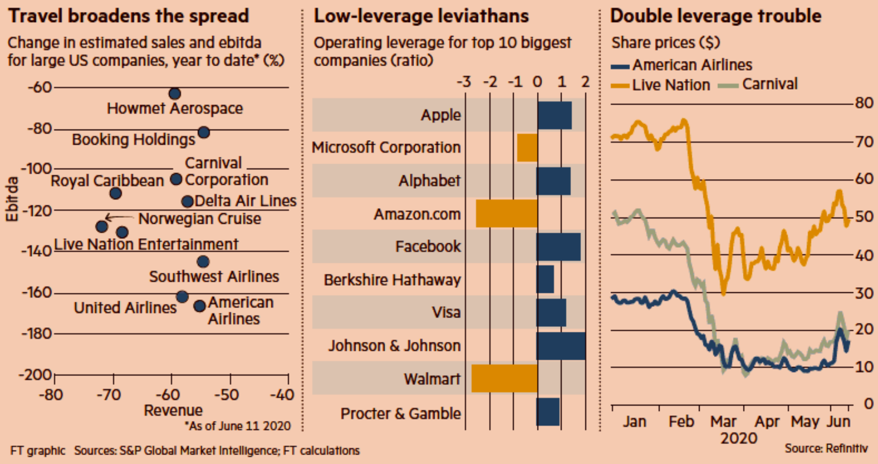
Risks may be concentrated too narrowly, given the reliance of Credit Suisse on Greensill. Supply chain finance typically provides a discounted advance on anticipated cash flow. It can also mask early signs of trouble in a situation such as the pandemic, when sales collapses hit the creditworthiness of borrowers' customers. Greensill is already wrestling with client defaults, including that of oil trader Agritrade.

All of this should worry investors in the Credit Suisse funds, for all that some losses would be covered by credit insurance. SoftBank's shareholders, many of which are private investors, should be concerned too. The shares fell more than 3 per cent yesterday.

SoftBank boss Masayoshi Son hoped the former traders and bankers he recruited to the Vision Fund would allow him to turbo-charge returns from smart investment in start-ups. Instead, their ingenuity appears to be concentrated on propping up returns rather than amplifying them.

Operating leverage: seats of power

Investors who obsess over balance sheet leverage are seeing only half the picture. Operating leverage — which means profits fall or rise by a much larger proportion than corresponding movements in sales — has hurt travel businesses during the coronavirus pandemic. Many also have big debts.



Travel broadens the spread
Change in estimated sales and ebitda for large US companies, year to date* (%)
*As of June 11 2020

Low-leverage leviathans
Operating leverage for top 10 biggest companies (ratio)

Double leverage trouble
Share prices ($)
Source: Refinitiv

FT graphic Sources: S&P Global Market Intelligence; FT calculations

Do not just interrogate the balance sheet. Look for empty seats on airliners and in concert halls. Analysts have been scouring financial statements to figure out which debt-laden businesses are most vulnerable to a Covid-19 downturn. Debt service is a mandatory obligation. Yet companies, financially leveraged or not, also face fixed operating costs. If these persist, even as sales decline, the businesses are in trouble.

The problem is most acute in businesses dependent on filling seats — airlines, cruise lines and concert promoters. So-called "operating leverage" measures the change in operating profit relative to a change in revenues, showing just how punitive fixed costs can be. At the same time, operating leverage can reveal how even the flimsiest green shoots can prompt a stock to rally.

Analysts on average have lowered their estimates on 2020 revenue for American Airlines by just over 50 per cent since the start of this year. Its forecast ebitda has, however, fallen from $7bn to a negative $5bn. Any incremental passenger fares flow to the bottom line almost in their entirety.

A carrier cannot immediately ground planes or suspend routes when traffic halts, as it did in April. Among the dozen companies whose 2020 ebitda forecasts have turned from positive to negative in 2020, more than half the number consist of US carriers, cruise lines and concert promoter Live Nation. For the few companies whose estimates for revenue growth are forecast to jump relative to expectations from January, the boon to profits is not necessarily massive. Clorox, flying high in an era of greater focus on hygiene, expects a profit jump of less than 10 per cent.

In the month between early May and June, American Airlines shares more than doubled, as passenger traffic rallied. Carnival stock at one point tripled. Even as travel remains depressed, increases in traffic help defray fixed costs. Both companies have taken out loans and issued bonds to bolster liquidity. Extreme financial leverage is being stirred in with operating leverage. Spectacular short-term equity gains — and potentially losses — are the results.

Furlough funds: payback time

This is the corporate news the City should want to hear: rising revenues and a return of taxpayer funds. So good on Bunzl, a middling UK company with a big heart, for kicking off the week with a spot of cheer.

The distribution company is not the first to pledge repayment of state-funded wages for furloughed workers. The Spectator, a weekly UK magazine sympathetic to the ruling Conservative party, will also do so. Others such as Bellway never took the funds in the first place. The housebuilder said it had already benefited from government schemes (though that notion did not stop rivals availing themselves of state aid). Swedish retailer Ikea also wants to repay furlough funds.

Such pioneers do not presage a flood. Bunzl can afford it. In these pandemic months it has delivered plenty of soaps, masks and other kit to healthcare clients — two-thirds of its business — to offset its shortfall from hospitality. Anyway, the repayment will weigh in at about £7m, or less than four days' operating profit. Ikea too is in a better position than many: its UK stores were mobbed when they reopened at the beginning of this month.

Getting ahead of the game because they can is smart. Government generosity will need to be repaid. Britain's furlough scheme will cost a net £54bn over the March to October period, accounting for more than a third of the pandemic support. Running down that debt with increased taxes and scythed spending are anathema to countries emerging from a health crisis into an economic one. Freezing public sector workers' pay might save £4bn but would rightly trigger a backlash if applied across NHS staff. Inflation will not magic debt burdens away either.

Thus the repayment of furlough money — perhaps on some kind of sliding profit scale, much like student loans — must be one option under discussion. Other companies outside the worst-hit sectors of travel and hospitality best look sharp.

Hertz share issue: demolition derby

It is not every day that a federal judge acknowledges the laws of corporate finance, along with common sense, have turned upside down. On Friday, a US bankruptcy court approved a plan allowing bankrupt car hire firm, Hertz, to sell stockpiled shares. Yesterday the company put out a prospectus detailing an unprecedented plan to sell up to $500m worth of equity. Its current market worth is a little over $400m.

Hertz, in a warning of more than 4,000 words, pointed out the stock may prove "worthless". To avoid that, the reorganised company must quickly regain the scale it had before the coronavirus pandemic. The proposition is a fantastical one.

Remarkably, the judge conceded that selling equity was Hertz's best play because, as it argued, equity was costless. A senior bankruptcy loan would carry a big interest rate and numerous liens and covenants.

In theory, equity capital can never be cheaper than debt. In the real world, that rule is violated all the time, often to the detriment of shareholders.

The academic capital asset pricing model works out the cost of equity by adding a risk premium to a safe rate of return. The cruder empirical measure of the cost of equity is the reciprocal of the price-to-earnings ratio: the earnings yield.

The higher the stock price relative to earnings, the lower the earnings yield and the cost of equity. By this metric, dotcom high flyers or Tesla today could issue shares for pretty well nothing. Their earnings might be years away, if they ever appear. But the market faith in them would be deep.

In the case of Hertz, it concedes something far more extraordinary: shares in the market today are unlikely to exist in the future because junior creditors will probably take ownership.

Payback from Hertz's new shares is not even a long shot. Impossible is more accurate. Hertz would appear to be preparing to take advantage of the greater fools. It can hardly be accused of underplaying the risks.

Lex on the web
For notes on today's breaking stories go to **www.ft.com/lex**

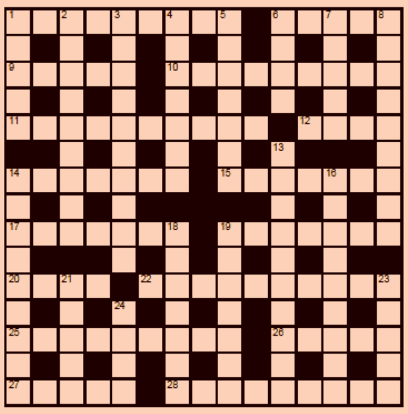
WEATHER

Forecasts by MeteoGroup Warm front Cold front Occluded front Wind speed in MPH

Today's temperatures Maximum for day °C & °F

Amsterdam	Shower	22	72	Madrid	Fair	26	79
Athens	Sun	30	86	Manila	Fair	33	91
Atlanta	Cloudy	25	77	Melbourne	Rain	17	63
Beijing	Sun	35	95	Mexico City	Sun	27	81
Belgrade	Drizzle	23	73	Miami	Shower	30	86
Berlin	Fair	27	81	Montreal	Sun	28	82
Bermuda	Cloudy	25	77	Moscow	Fair	28	82
Bogota	Rain	19	66	Mumbai	Thunder	31	88
Brussels	Shower	23	73	Nassau	Thunder	31	88
Buenos Aires	Fair	24	75	New York	Fair	25	77
Caracas	Shower	30	86	Nice	Fair	23	73
Chicago	Sun	29	84	Oslo	Sun	29	84
Copenhagen	Sun	24	75	Paris	Shower	21	70
Dallas	Fair	35	95	Prague	Fair	23	73
Delhi	Sun	41	106	Reykjavik	Rain	11	52
Doha	Sun	46	115	Rio	Cloudy	24	75
Dubai	Sun	40	104	Rome	Sun	25	77
Dublin	Shower	19	66	San Francisco	Sun	21	70
Edinburgh	Cloudy	17	63	Seoul	Sun	30	86
Frankfurt	Shower	21	70	Shanghai	Thunder	24	75
Geneva	Shower	23	73	Singapore	Thunder	30	86
Hamburg	Sun	25	77	Stockholm	Shower	20	68
Helsinki	Thunder	25	77	Sydney	Sun	21	70
Hong Kong	Fair	31	88	Taipei	Fair	35	95
Honolulu	Drizzle	30	86	Tel Aviv	Sun	28	82
Jakarta	Thunder	32	90	Tokyo	Thunder	28	82
Karachi	Sun	36	97	Toronto	Sun	23	73
Lima	Cloudy	19	66	Vancouver	Fair	18	64
Lisbon	Fair	24	75	Vienna	Shower	20	68
London	Shower	23	73	Warsaw	Fair	24	75
Los Angeles	Fair	24	75	Washington	Cloudy	25	77
Luxembourg	Fair	21	70	Zurich	Fair	21	70

CROSSWORD
No. 16,504 Set by MOO



JOTTER PAD

ACROSS
1 Execute composition of Elgar thus (9)
6 Beastly African in post office (5)
9 Catch girl with nothing on (5)
10 Fierce old woman fighting against sack (9)
11 You might apply this to your cuts (10)
12 Leg it with circus performer, did you say? (4)
14 On reflection, regrets uncle becoming a manipulative type (7)
15 Time small boy in Scotland sang (7)
17 Leaves sweets for the Speaker (7)
19 Pay saint very little money to conclude (7)
20 Spots Bill heading north-east (4)
22 Bedsit land unexpectedly provides romantic prospects (5,5)
25 I swear, getting grumpier with F1 interruptions (9)
26 Fat old cow's complaint about Spain (5)
27 A sound agreement? (5)
28 I doorstep desperate bank customer (9)

DOWN
1 Climbing mountains tricky at first. Don't fall like this! (5)
2 Criminals first to feed penniless priests (9)
3 Poke Chuck in bottom. His company's not wanted (10)
4 Objection about Brie – unfortunately it makes you fatter (7)
5 Parisian to be held by snitch in hideout (7)
6 Religious theory regularly baffles novice (4)
7 She's right to wear ring (5)
8 Frank finished with no definite conclusion (4-5)
13 He introduces Ron and Doris, errant wife (3,7)
14 TV celebrity radiates male embarrassment (5,4)
16 What you may get, if patient? (9)
18 Dishonoured bride ill-used to a degree on journey north (7)
19 Hotspot where paper has revolutionary role (7)
21 Vegan's latest pie quietly chucked out? It's horrible! (5)
23 A Hereford pilot? (5)
24 Sex before church is a sin (4)

Solution 16,503